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50TH

ANNIVERSARY

IN 1950

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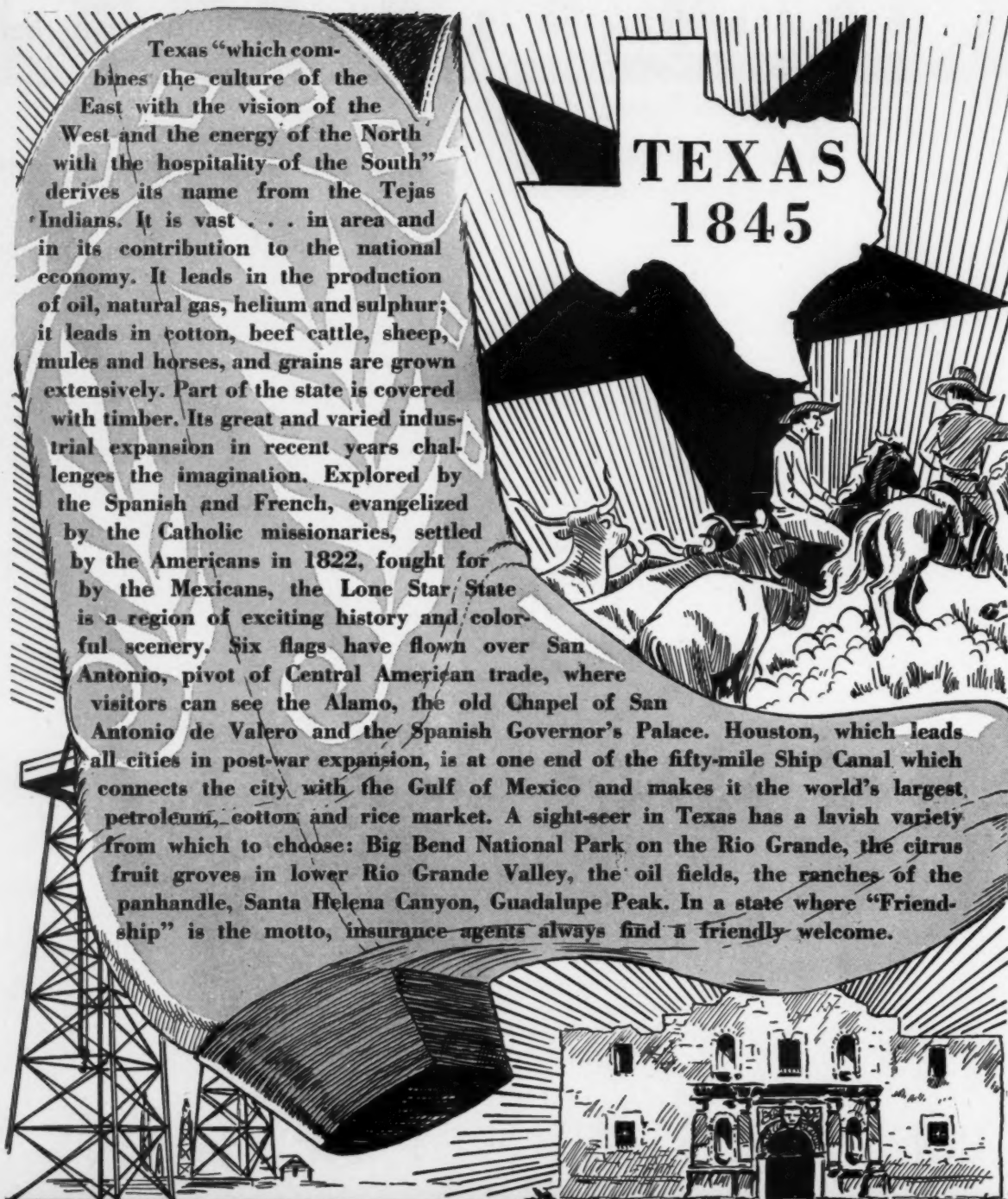
N.A.I.A. CHICAGO CONVENTION

THURSDAY, SEPTEMBER 22, 1949

Texas "which combines the culture of the East with the vision of the West and the energy of the North with the hospitality of the South" derives its name from the Tejas Indians. It is vast . . . in area and in its contribution to the national economy. It leads in the production of oil, natural gas, helium and sulphur; it leads in cotton, beef cattle, sheep, mules and horses, and grains are grown extensively. Part of the state is covered with timber. Its great and varied industrial expansion in recent years challenges the imagination. Explored by the Spanish and French, evangelized by the Catholic missionaries, settled by the Americans in 1822, fought for by the Mexicans, the Lone Star State is a region of exciting history and colorful scenery. Six flags have flown over San Antonio, pivot of Central American trade, where

visitors can see the Alamo, the old Chapel of San Antonio de Valero and the Spanish Governor's Palace. Houston, which leads all cities in post-war expansion, is at one end of the fifty-mile Ship Canal which connects the city with the Gulf of Mexico and makes it the world's largest petroleum, cotton and rice market. A sight-seer in Texas has a lavish variety from which to choose: Big Bend National Park on the Rio Grande, the citrus fruit groves in lower Rio Grande Valley, the oil fields, the ranches of the panhandle, Santa Helena Canyon, Guadalupe Peak. In a state where "Friendship" is the motto, insurance agents always find a friendly welcome.

TEXAS
1845



CRUM & FORSTER

MANAGER

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UNITED STATES FIRE INSURANCE CO.

Organized 1824

THE WESTERN ASSURANCE CO., U. S. Branch

Incorporated 1851

THE NORTH RIVER INSURANCE CO.

Organized 1822

THE BRITISH AMERICA ASSURANCE CO., U. S. Branch

Incorporated 1833

WESTCHESTER FIRE INSURANCE CO.

Organized 1837

SOUTHERN FIRE INSURANCE CO., Durham, N. C.

Incorporated 1923

THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh, Organized 1868

WESTERN DEPT. FREEPORT, ILL.

PACIFIC DEPT. SAN FRANCISCO

SOUTHERN DEPT. ATLANTA

ALLEGHENY DEPT. PITTSBURGH

CAROLINAS DEPT. DURHAM, N. C.



Amount of Loss on Noronic Fire Still in Doubt

**Estimate Hull Cover \$700,-
000; Liability Big Question
Osborn & Lange Brokers**

NEW YORK—The insurance loss on Noronic fire at Toronto is in doubt pending the completion of investigations by government and steamship line officials. Hull coverage was estimated at about \$700,000 with about 40% of it in the American market. Approximately 40% of the protection and indemnity insurance, the amount of which was not disclosed for the protection of the steamship line and the insurers, was also in the American market.

Osborn & Lange of New York City, were the brokers on the line. Andrew J. Lange of the Chicago head office of the agency is at Toronto now. Officials of the Canada Steamship Lines earlier were reported to have said that there was \$1 million of insurance on the hull and that they carried sufficient liability insurance.

It is understood that under the Canadian law, if there is no proof of negligence, there is a limit to the amount of the steamship line's liability. The Canadian law is said to follow the English law which could mean that the liability would be approximately eight pounds sterling, or \$32 per gross ton (under the former valuation of the pound sterling) for bodily injury and seven pounds sterling or \$28 per gross ton for property damage. There are, however, certain requirements which must be met before these limits apply and it is yet undetermined whether they have been fulfilled. Under these conditions, based on the ship's gross tonnage of 6,905 tons, the limit of bodily injury liability would be approximately \$221,000 and the property damage liability approximately \$193,000.

The latest announced death toll of passengers on the ship was 125, that is the number of bodies recovered. The number of dead and missing exceeds 200 but it is presumed that many of the "missing" returned to their homes without reporting to the authorities.

CLAIM LIABILITY COVERED

TORONTO—Liability insurance carried on the Noronic is "more than adequate to look after all claims for death, personal injuries or loss of baggage and personal effects, according to Capt. Norman J. Reoch, general manager of Canada Steamship. He denied reports that no liability insurance had been carried.

There were reports here that insurance on the hull was \$1 million. When the sister ship Hamonic was destroyed by fire at Sarnia in 1945 company officials said it would cost more than \$2 million to replace. Value of the Noronic at current prices has been set as high as \$9 million.

Capt. Reoch added: "The company disclaims any negligence absolutely."

The Noronic which displaces 6,700 tons draws 16 feet and is 500 feet long and was built in 1913 at a cost of \$1½ million at Port Arthur.

One of the casualties of the Noronic disaster is Charles Williams, marine

Fire Association Corporate Setup to Be Broadened

**Affiliates to Be Absorbed—
Casualty Powers Acquired
—Stock Dividend**

At special meetings Sept. 13, the boards of Fire Association group voted to recommend to the stockholders adoption of a program for the approval of charter amendments to permit the writing of fire and casualty insurance; the merging of Lumbermen's, Reliance of Philadelphia and Philadelphia National into Fire Association of Philadelphia; the incorporation of a new, wholly-owned, and adequately capitalized company to be known as Reliance Insurance Co. of Philadelphia; an immediate increase in capital of Fire Association sufficient, first, to acquire the assets of Lumbermen's, Reliance of Philadelphia, and Philadelphia National and, secondly, upon completion of the merger to permit declaration of a 20% stock dividend to stockholders of Fire Association of Philadelphia. Complete details will be announced soon.

New Hearing on R. I. Case in California

SAN FRANCISCO—California appellate court, first appellate district, division 1, in the litigation in Rhode Island Insurance Co. vs. Downey, has entered an order vacating the submission of the Rhode Island case and placing it at the end of the calendar for further argument Sept. 27. The order directs counsel to discuss the following points:

1. The legal effect of the purported amendment to the petition by the petitioner on Aug. 4 and whether the petitioner had the right to file such amendment without the prior approval of the court.

2. If the petitioner had such right, what is the position of the respondent commissioner as to the truthfulness of the charge that at the time of the seizure he had knowledge of the facts set forth in the amendment?

3. Are the affidavits of Bisson and Bruce, which are contradictory on facts, properly before the court? If so, how is the court to determine which affidavit is correct and whether the facts were known or should have been known to the respondent commissioner on the date of seizure?

Hold Outing at Pontiac

Annual outing of Pontiac (Mich.) Assn. of Insurance Agents drew an attendance of 135 agents, guests and company representatives. President Russell Bradley and Waldo O. Hildebrand, secretary-manager of the Michigan association, attended.

At the banquet honors were paid to Charles Eaton, 86-year-old secretary of the Pontiac association, who has held the position since the board was organized.

manager of Home at Columbus. He is in a Toronto hospital, badly lacerated. He was accompanied by his wife and family. Another Columbus insurance man, R. E. Zimmerman, special agent of Commercial Union, and Mrs. Zimmerman were killed in the fire, their bodies having been identified.

Aug. Losses Up; First '49 Increase

The estimated fire loss during August was \$50,150,000, representing a 1.2% increase over the total for August, 1948, according to National Board.

August was the first month of the year during which the fire loss was greater than the loss for the same month of 1948.

Total losses for the first eight months of 1949 are estimated at \$448,549,000. This is 7.9% less than losses for the same period last year.

For the 12 month period ending Aug. 31, 1949, losses amounted to an estimated \$672,685,000. This is a decline of 5.2% from losses of \$709,621,000 for the 12 months ending Aug. 31, 1948.

By months for 1949 and the two preceding years fire losses are:

	1949	1948	1947
Jan.	57,926,000	63,010,000	57,180,000
Feb.	62,424,000	72,521,000	64,247,000
Mar.	67,218,000	74,236,000	72,435,000
Apr.	55,290,000	63,751,000	68,029,000
May	54,162,000	59,256,000	56,545,000
June	51,787,000	54,706,000	50,840,000
July	49,592,000	50,955,000	49,357,000
Aug.	50,150,000	49,543,000	51,359,000
	448,549,000	486,978,000	469,992,000

Royal-Liverpool Revises Loss Setup

Royal-Liverpool group has placed Harry C. Houlihan, vice-president of the casualty companies, in executive charge of the combined fire and casualty loss and claim departments. Charles E. Black will give executive supervision to the handling of all first party fire and casualty losses, except automobile. John P. McCormick will have charge of third party fire and casualty claims, all automobile claims and losses and also all fidelity, surety, and accident and health claims. The changes are part of the group's general program of consolidating its fire and casualty operations.

J. D. MacArthur Reelected

J. D. MacArthur has been reelected president of Duluth Underwriters Assn. and the following were elected to the board: Verner Johnson, David W. Claypool and Paul F. Otis, Jr. The association has just completed a courtsey drive.

Devaluation Has Effect on U. S. Insurers Abroad

**Foreign Premiums in
Terms of U. S. Dollars
Are Reduced**

Devaluation of the English pound and similar action by numerous other countries has quite an effect on U. S. insurance interests with premium writings in those countries. Translated into U. S. dollars, it means that the volume of premiums is substantially reduced and any holdings of foreign currencies are depreciated. Of course, there is a corresponding drop in losses when translated into U. S. dollars so that the underwriting results are not affected, but the volume is down.

Of course, from the English standpoint, there is an opposite effect when it comes to translating U. S. dollars into home currency. That is there is a magnification of figures in terms of pounds. Of course, the devaluation has no effect whatsoever in the accounts of the U. S. branches.

The slashing of premium income figures that is brought about by devaluation, of course, may be overcome if assured in foreign lands proceed to increase the amount of their coverage to take care of increases in internal values that devaluation may produce.

This dramatic devaluation may serve to lend emphasis to the efforts of U. S. insurance interests with foreign operations to get U. S. property owners to insure their foreign properties in U. S. dollars, with provision for receiving loss payments in the same currency.

The 10% devaluation in Canada will have meant of course that, in terms of U. S. dollars, gross premiums of U. S. companies in Canada are cut 10%, and of course losses likewise. Any balances in Canada are worth 10% less. These for the most part consist of profits, according to a special Canadian formula.

TEN LUSTY HAS BEENS ARE FETED



Past presidents of N. A. I. A. at dinner Sunday in their honor: William P. Welsh, Pasadena, Cal.; W. H. Menn, Los Angeles; W. B. Calhoun, Milwaukee; Allan I. Wolff, Chicago; Fred A. Moreton, Salt Lake City; Charles L. Gandy, Birmingham; Charles F. Liscomb, Duluth; Frank R. Bell, Charleston, W. Va.; Guy Warfield, Baltimore, and W. Eugene Harrington, Atlanta.

Historic Year for N.A.I.A. Reviewed by Stott

Free Legal Service for Boards, State Groups, Members Is Announced

The program the administration set up for itself 12 months ago and the accomplishments that were recorded made it an historic year for N.A.I.A. as it was reviewed in his report by John C. Stott, Norwich, N. Y., retiring president. Making it clear that the effort and results came from the team work of executive committee, officers, state directors, state secretaries and managers, local boards, committees, and the association staff, Mr. Stott touched on a few of the more important accomplishments.



J. C. Stott

These included reorganization, cooperation with commissioners and companies, multiple location risk problem, the effort against socialistic tendencies, commissions, and education.

Free Legal Services

He announced an extension of N.A.I.A. services. The legal department under Counsel Walter H. Bennett, which has offices at 27 William street, New York, is to be moved to association headquarters at 80 Maiden Lane. More important, the legal department, effective immediately, will provide legal advice and assistance to the membership, including local boards and state associations, without charge.

The administration was asked by state directors to examine closely and watch expenditures of the association, to reduce costs and still maintain services. The executive committee appointed a public relations advisory committee to examine operations and report to the executive committee. This committee did an outstanding job. Their report and recommendations were studied in detail and action taken. The New York office was revamped. Consolidation of departments was effected. The Washington office was streamlined. The association will enjoy a saving in the coming year of approximately \$50,000.

For the first time in several years, the association has operated within its budget. This is no reflection on past administrations, as they were carrying out policies set by the state directors. This policy changed during the past year to one of greater economy and substantial savings were effected.

Increased Efficiency

The result of reorganization on efficiency and operation is amazing. The association now has a fast-moving, hard-hitting, streamlined organization with each individual employee cooperating with the other under direction of the executive vice-president and secretary, Charles P. Butler. Increased efficiency and good business procedures have resulted.

Retention of Mr. Butler was part of the reorganization. Few men have the respect of all in the business as he has. He is fearless in his approach to problems. His wide experience as a lawyer, in the agency field, in state supervision and company ranks, makes him a valuable asset, Mr. Stott said. In his few

short months with N.A.I.A. he has accomplished much.

The future of the business is insolubly linked to state supervision, Mr. Stott continued. He urged agents to cooperate to the fullest extent with supervisory officials. That cooperation must never be selfish. It should always be measured by the ultimate good for the buying public.

Cooperation With Commissioners

The N.A.I.A. has endeavored to create a closer feeling of cooperation and mutual respect between agents and supervisory officials. Commissioners at their meetings have given agents full cooperation in N.A.I.A. problems, listened with understanding, asked advice on important matters and made no decisions affecting agents without an opportunity for agents to be heard.

He praised the companies for continuing and increased cooperation during the year. Casualty company executives met with the executive committee several times in the year. Every problem jointly facing the two groups has been discussed. The agency-company relationship with the casualty executive group is at an all time high. Much has been accomplished. There is no fear for the agents' future relationship with casualty companies if current procedure is continued.

Agents are pleased at the courtesies shown by fire company executives. Liaison committees between companies and agents have been set up in some jurisdictions. N.A.I.A. met with the fire executives' association and appreciates the growing confidence they have in the national association. Over the months this group will more fully realize their problems are agents' problems and that only a frank discussion across the table will further a sensible solution, Mr. Stott believes.

"Letters for Freedom" Campaign

More than over a quarter of a million folders on the "Letters for Freedom" campaign were cleared through national headquarters. Insurance papers, trade papers, civic organizations and radio have furthered the campaign. The objective, a million letters to senators and congressmen, was a concerted effort to stop reckless spending, further concentration of power and to the creeping socialistic tendencies in government. This campaign must never end. The

(CONTINUED ON PAGE 4)



A. C. Wallace, Goshen, N. Y., chairman, and H. G. Dooley, Washington, secretary of eastern conference.

Mich. Committee to Meet on Discrimination Charges

LANSING, MICH. — A meeting of the special committee named by Gov. Williams to investigate charges of discrimination by insurers against members of the Negro race probably will be called within two weeks, Commissioner Forbes states.

The commissioner said many answers have been received from insurers to a questionnaire on individual company policies and practices relative to selection of risks as regards race. The commissioner declined to reveal any of the replies pending their consideration by the committee.

The carriers were asked in the questionnaire to state whether they write coverage for Negroes, if not, why they decline such risks, whether they practice any other form of discrimination such as instructing agents not to solicit Negro business or reducing commissions on such business, and for all other available information relative to the question.

Robinson to North British

Norval K. Robinson has been appointed special agent in the Cook county territory for North British to succeed Stephen P. Davison, resigned. For the past 13 years, Mr. Robinson has been with a large Chicago supervising agency. He was a radio man in the navy during the last war.

Pa. Deviations Canceled as of Oct. 1

HARRISBURG — The Pennsylvania department has formally notified all companies which had been granted fire deviations under present rates that the rate changes will automatically be canceled effective Oct. 1 when new fire rates for the entire commonwealth go into effect.

North America was the first to be granted a deviation on May 14 this year. About a dozen others applied for identical reductions of 15% on certain risks in excepted territory.

Deviations were approved for a number of companies subsequently, and other filings were pending decision when Commissioner Malone announced adoption of an entirely new rate structure on Oct. 1. At that time, Mr. Malone said, the deviations which were departures from the old rates, would cease to exist.

An official of the department termed notification of the companies affected as routine in view of Mr. Malone's previous announcement that the deviations would end when the new fire rates go into effect.

North America has sent a notice to its agents which says that the rate reductions filed by the Middle Department are so close to North America's deviations that the company will adhere to that rating organization's rates again, effective Oct. 1. The company reserves its right to deviate again if the recurrence or continuance of circumstances justify deviation. North America also said that it could not agree as a matter of law with Commissioner Malone's statement that the new Middle Department rates had the effect of ending all deviations.

Rival Chicago Attraction

Mortgage Bankers Assn. was holding its annual convention at the same time as N.A.I.A. at the Palmer House, Chicago, and many of those from the agents association divided their time, so as to fraternize with the M.B.A. group.

Keating Midtown Manager

Home has appointed Walter F. Keating general manager of its midtown office at 60, Vanderbilt avenue, New York. William T. DeCamp and Ferdinand A. Hermann, Jr., have been promoted to assistant managers. The office is under the supervision of Resident Secretary Henry C. Blaetz.

Mr. Keating has been with Home since 1929, mostly in the metropolitan area in production, underwriting and supervisory capacities. Mr. DeCamp has been with Home over 25 years, in New York City underwriting, and Mr. Hermann, formerly with the Wright agency, has been with the company since 1941, also specializing in metropolitan underwriting.

Mississippians Honor Johnson

Mississippi Assn. of Insurance Agents held a cocktail party at Chicago Wednesday evening in honor of O. S. Johnson, Clarksdale, new N.A.I.A. president, and Mrs. Johnson. R. E. Bobo, Clarksdale, president, and C. M. Seay, Jackson, manager, arranged the event.

Joseph P. Gibson, Jr., casualty manager of American Foreign Insurance Assn. is in Chicago this week attending the N.A.I.A. convention and taking charge of the Chicago office of A.F.I.A. in the absence of R. Maynard Toelle, who is on vacation.

E. E. Hayden, executive secretary of the California association, doesn't believe in "signs." His room number was 1313.



K. L. Nehring, Tucson; R. D. Callister, Salt Lake City, vice-chairman far west conference, and W. H. Menn, Los Angeles, showing cup he will award for best public relations work in his territory.

Travelers Fire Advances Four

Virgil V. Roby has been appointed a superintendent of agencies in the fire and marine department of Travelers. At



Virgil V. Roby



Eugene H. Pratt

the same time, Eugene H. Pratt is appointed an agency assistant and John C. Alexander, Jr. becomes fire and marine manager at Peoria. George J. Malloy has been named assistant chief engineer. Mr. Roby graduated from Butler university and went with Travelers in 1926 as a special agent at Indianapolis. He became assistant manager for fire and marine lines there in 1928 and then went to Denver as manager in 1929. He



John C. Alexander



George J. Malloy

became Minneapolis manager in 1931 and remained in that post until he went to the home office in 1946 as assistant superintendent of agencies.

Mr. Pratt goes to the home office from Peoria where he has been fire and marine manager. He went with Travelers in 1933 following graduation from University of Alabama. He has served in various branches throughout the country, as a member of the cashiers department and as special agent, assistant manager and manager. He was a navy officer during the last war.

Mr. Alexander has been assistant fire and marine manager at Indianapolis.

Werner Slated at St. Louis

Elmer L. Werner, president of Insurers Service Corp., is addressing a noon



Melvin Miller, Fort Worth, and Kenneth Nehring, Tucson, Ariz., members of executive committee.

meeting Sept. 27 of St. Louis Insured Members Conference on "Stock, Mutual and Reciprocal Insurance." Mr. Werner was the first Missourian to win the C.P.C.U. designation.

Automobile Also Appeals

Automobile has notified the New York department it is appealing the department's notice on the multiple location risk problem. America Fore and Loyalty groups have retained independent counsel to handle their appeal. The law firm is Donovan, Leisure, Newton, Lombard & Irvine of New York. The hearing will be held Sept. 29.

Independents Drop Auto Rates in Ill.

The Illinois department has approved auto insurance rate reductions for Illinois Bureau of Casualty Insurers, which embraces numerous independent companies. The decrease is 15% on comprehensive and fire and theft. As to collision the mileage-age of driver factor is introduced comparable to the principle applied in the third lines and the collision rates are dropped 10% on the A-1 and A-2 groupings downstate and 5% at Chicago.

Longview Is Inspected

North Texas Field Club is conducting a town inspection of Longview this week. Fire Insurance Commissioner Paul H. Brown of Texas and Eugene Sanders, deputy state fire marshal will address a noon banquet sponsored by junior chamber of commerce.

The Longview agents are entertaining the field men with a golf tournament and barbecue Thursday and the chamber of commerce is donating a silver pitcher as a golf prize.

Insurance Women of Los Angeles will resume their educational program Oct. 5, with "Personal Lines of Insurance as They Relate to the Individual" as the topic.

Thomas Jefferson
on March 4, 1801 said...



"Government should restrain men from injuring one another, but leave them otherwise free to follow their own pursuits of industry and employment"

By living Thomas Jefferson's kind of democracy, the American people have achieved a moral spiritual stature—a standard of physical well-being—far beyond any nation in history. Today there are those who claim to follow in the footsteps of this great champion of the rights of man—yet their ideas of government are completely opposite to his beliefs, so clearly stated above.

It is impossible to believe that the American people are prepared to discard the fundamental beliefs of their nation's founders—or that they are ready to abandon the right to "follow their own pursuits of industry and employment" in exchange for the vague security of an untried planned economy.



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Historic Year for N.A.I.A. Reviewed

(CONTINUED FROM PAGE 2)

agents' business future and the country's future are at stake.

Mr. Butler and the national association assisted the industry and the commissioners in bringing a majority into agreement on a multiple location risk plan which is now being filed in the several states. The plan is not perfect but does provide a reasonable solution to this problem.

Commissions

This administration has fully discussed commissions and commission control. This has not been to indicate what commissions should be or how they should be controlled but to get a wide understanding of the problems. These discussions should continue. Agents undoubtedly will be asked by state legislators the best method of control of commissions. Think it through, Mr. Stott advised. It is important. Agents must receive a commission sufficient to cover the cost of operation and a reasonable profit for effort and investment. That is in public interest. The agents' future demands that their part of the insurance dollar be reasonable, justifiable and only that part consistent with outstanding service.

Educational Courses

During the year past educational courses on office management and agency ownership have been added and over 10,000 individuals have taken one or more of them. This is the largest number of enrollees on record. The strength and the future of the association is directly related to the improved education of agents and stronger state qualification laws.

There are now 850 active local

boards, he said. The 26,874 agency members, a record high, represent perhaps 75,000 producers. There has been unprecedented attendance at state association meetings across the country and the associations have produced outstanding programs for their members. Mr. Stott visited 36 state groups and traveled over 50,000 miles during the year.

The necessity for a promotional campaign throughout the membership to sell the national association has in some measure become less acute. The national association with the leadership it now enjoys in every state and operating on a business-like economic basis, and producing results that are obvious to state association officers, secretaries and managers and members, creates a situation where there can be no question raised as to whether an agent should belong to his local and state and national association. It becomes a mandate. He can ill afford not to be affiliated with them.

He thanked the insurance press. The millions of words on agents' activities have been a major source of the life blood of the association. The state and national associations would be much less effective without this medium for the discussion of agency problems, he said.

State Fund Men to Meet

William C. Bishop, manager of Michigan state accident fund, who is president of American Assn. of State Compensation Insurance Funds, has announced its annual meeting will be held at St. Louis Oct. 1-3.

Service Life in Ohio

Service Life of Omaha has opened an office for Ohio at Cleveland to write life and A. & H. business. Alvin I. and Wilbur J. Horwitz are co-managers.

T. Alfred Fleming of the National Board is addressing the Hospital Assn. of Pittsburgh Sept. 23.

Agents Urged to Appraise Selves in Present Economy

Successful agencies provide their customers and their companies with four "plus values" that are in constant need of inspection if the agency system is to be maintained at its highest level, according to Harold S. Bowen, Norwalk, O., who addressed the business development forum of the N.A.I.A. convention on "Promoting the Agency as a Plus Value for Insurance."

Describing these values, Mr. Bowen said the local agent provides a catalyst in the American free enterprise system; the agency attracts men of intelligence and integrity to the business of insurance; the agent inspires confidence and counsellor relationship with his assured, and finally, the agent is the worthy representative of the insurer. Each of these points need to be checked from time to time if the agent is to be sure that the proponents of the system are maintaining strength and usefulness.

Many Businesses Fail

Mr. Bowen observed that agents have come to be known as an efficient and effective factor in the free enterprise system, but at the same time must face the fact that 40% of American business enterprises destroyed by fire are not re-established and of those which attempt to rehabilitate, a high percentage fail because of weakened financial structure. Courts are filled with cases where reimbursement has been refused because proper coverage was not carried or the assured was under a misapprehension concerning the specific terms of his policy.

He asked how many agents are aware that legal liability for fire losses is creeping frequently into court decisions and how many are urging policyholders to carry high amounts of property dam-

age protection? If plus values are to be maintained, local agents must see that every business man has full knowledge of his legal liability in every field.

He mentioned expansion of personal A. & H. insurance and wondered whether it might be too little and too late. In the field of automobile coverage, the agents need to mobilize company thinking before state funds take over.

The incentive which brings the high type of business man to the insurance business, may also be threatened, he stated. Rates are being filed on a cut-commission theory and the trend may effect indirectly the kind of personnel insurance can attract and may have a bearing on the respect the industry enjoys from supervising authorities.

The value accruing to an agency out of its relationship with the assured requires that every agent actively support educational activities of his association, use company schools and encourage col-

(CONTINUED ON PAGE 20)



Walter H. Bennett, counsel, and J. F. Neville, associate counsel of N.A.I.A.

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HELPS YOU SELL MORE INSURANCE

General has developed its philosophy of service from the customer's viewpoint—for example, the preferred risk fire insurance plan combines the finest of protection with economy for the insured. Naturally, nationwide public acceptance is the result. Ask today about our "years ahead" agency plan. You'll like it!

It pays to sell what the public wants!



**GENERAL INSURANCE COMPANY OF AMERICA
FIRST NATIONAL INSURANCE CO. OF AMERICA
GENERAL CASUALTY COMPANY OF AMERICA**

HOME OFFICES - SEATTLE, WASHINGTON

Insurance Angle Bulks Large at FTC Hearing

**Commissioners Larson
and Harrington Appear
on Auto Finance Issue**

By H. C. HALLAM

WASHINGTON—Insurance problems in connection with "packing" of finance charges on installment sale of automobiles were discussed by a number of speakers at a trade practice conference on proposed rules for regulating such charges and practices, held under auspices of federal trade commission.

J. E. Larson, Florida commissioner, said National Assn. of Insurance Commissioners "has been aware of these problems for the past several years" and since the association meeting last De-

fertile soil in which flourished the finance pack.

"There is very evident need for stating very clearly and unequivocally the type of insurance covering the purchaser. One of the real abuses has been failure to cover the purchaser in the insurance policy and giving protection only to the finance agency by placing single interest coverage. There are cases in our files where a motorist has wrecked a car purchased under the installment plan and not only did the purchaser fail to recover anything, but was sued by the insurance company to repay the amount paid the finance company.

"In recent years there also have been complaints that some purchasers believe that they are covered by public liability and property damage insurance. This is one more evidence of the need for making very clear to the purchaser just what insurance coverage is provided in the contract.

"American Automobile Assn. is glad to see that the matter affecting so large a number of the purchasers of automobiles is receiving attention from the federal trade commission and it also

wishes to compliment those states which have passed legislation to control finance charges, and requiring that the purchaser be given an itemization of the various charges made in such transactions.

"We have studied, with care, the five proposals which have been offered for consideration at this conference. We are in hearty accord with the objectives of all five of these proposals. We hope they will be incorporated in a fair trade practice code for the automobile industry."

The conference was called to order by Henry Miller, chief of the FTC trade practice conference division, who introduced Commissioner Lowell Mason, under whose supervision the conference was held. Showing the great interest in the subject, Mr. Mason said it had resulted in more correspondence between the commission and members of Congress than any other trade practice conference. Mr. Mason spoke at some length.

Paul Cameron, chief of the FTC rule-making division, outlined procedures with respect to the conference and the proposed rules. Inviting suggestions for

modifying the FTC proposals before the conference, Mr. Cameron said FTC would give them careful consideration. Rules will be drafted, he said, mandatory provisions of which "will go no further than the law. They will not require more nor less than what the law requires," he said. They will be interpretative of legislative rules. They will be "practicable, realistic and workable." The draft rules will be submitted to FTC members, "not as official rules, but as proposed rules." On them public hearing will be held later on before final promulgation.

Mr. Cameron introduced Barnet Watson, an attorney in the rule-making division, who handled details of the meeting as presiding officer at morning and afternoon sessions. Mr. Watson called on various speakers by name and also invited others to participate in the discussion.

Harry Uhler, Baltimore Auto Club, cited specific cases showing that itemized sales agreements can be "packed" to the auto dealer.

"The dealer will have to be more fully instructed and educated with re-

(CONTINUED ON PAGE 10)



C. F. J. Harrington



J. E. Larson

ember at New York has had a special committee "attempting to study and attack the problem, insofar as the insurance phase is concerned."

"We deem it our duty to regulate the insurance business under state law," said Mr. Larson, who added that Florida is conducting an investigation. Two or three hearings have been held there, he said, "either on the furnishing or lack of information to automobile purchasers on insurance coverage."

Offers to Assist FTC

Mr. Larson expressed the opinion that it is the duty of FTC to "super- vise the financing end of it," and offered assistance to the commission. He introduced Massachusetts Commissioner Harrington, who subscribed to everything the preceding speaker had said.

"We are conducting a hearing at Boston next Monday," said Mr. Harrington, "concerning finance insurance practices as they relate to this subject."

Rules were promulgated in Massachusetts in 1938, Mr. Harrington said, "but in view of the enactment since of public law 15, we deem it expedient to review the regulations and bring them into conformity with new laws, particularly the state fair trade practice act. We are alert on insurance practices, but need assistance in regulation of practices in the automobile business and financing business. Since public law 15 left insurance regulation to the states, we will give immediate attention to any insurance complaints."

Separation Is Great Need

Representatives of American Automobile Assn. and other interests also referred to insurance practices in connection with financing auto purchases. Charles C. Collins, A.A.A. general counsel, said among other things:

"One of the great needs is to assure that in the finance contract there be separation of the finance charges and the insurance costs. The practice of lumping these two together was the

YOU BE THE JUDGE AND JURY!



The farmer is putting you in the position of judge and he wants a decision when he says —

"In order to work separated tracts of land I have to drive my unregistered tractor and hay rake over a state highway. My hay rake extends over the center of the road. While traveling this route I meet an oncoming automobile which runs off the road and is damaged while trying to avoid my hay rake. Would my Farmer's Comprehensive Personal Liability policy cover me?"

Could you answer the question?

Put yourself on trial. What are you doing about the farmers in your vicinity? Surely the farmer, who faces as many hazards as any other individual, is entitled to know about the protection he can secure for his family and himself. You lose much if you overlook this big group of prospective customers—customers the Royal-Liverpool Group stands ready to assist its agents in reaching.

Answer to the quoted question is contained in the Group's current issue of "True or False." Your copy is available on request to our Advertising Department.

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ROYAL INSURANCE COMPANY, LTD. • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • AMERICAN & FOREIGN INSURANCE CO. • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • THE NEWARK FIRE INSURANCE CO. • QUEEN INSURANCE COMPANY OF AMERICA • STAR INSURANCE COMPANY OF AMERICA • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD.

EAGLE INDEMNITY COMPANY • GLOBE INDEMNITY COMPANY • ROYAL INDEMNITY COMPANY

Insured, Insurer Must Recognize Mortgagee in Miss.

The Mississippi statute casts upon an insured mortgagor the duty to have attached to a fire insurance policy taken out by him the statutory loss payable mortgage clause in favor of his mortgagee, and also impliedly makes it the duty of the insurer likewise to comply with the statute. This was the decision of the U. S. fifth circuit court of appeals holding for the mortgagee in *U. S. of America et al. vs. Sentinel Fire et al.*

Sentinel Fire and six other insurers brought an interpleader suit against William Harold Davis, d/b/a Radolite Manufacturing Co., the insured; J. C. Stennett, receiver in bankruptcy of Davis; Rosenthal Plywood Sales Co., mortgagee of Davis; Bradshaw & Hoover, insurance agents; Piles and Breland, attorneys and assignees from Davis of the proceeds of the policies; and collector of internal revenue.

The income tax liability was satisfied from other sources and interest of the federal government ceased in the case

and the agents also were otherwise satisfied.

The insurers deposited something over \$14,000 in the registry of the court. Davis was the owner and operator of sawmills. He had executed and delivered a mortgage to Rosenthal Plywood Sales Co. Some of the property covered by the insurance was damaged or destroyed by fire.

There was no clause written into the mortgage or into the policies providing for the payment of any losses occurring to the mortgagee in the event of a fire. Such clauses were, however, added as riders to six of the policies upon request by the mortgagee to the insurance company some time after the execution of the policies and prior to the fire. This request appears to have been unilateral, or not joined in by the insured. But Plywood contends that its right to recover does not depend entirely upon such loss payable clause rider, but that it is entitled to recover by virtue of the Mississippi statute, section 5695, which it insists writes into every fire insurance policy on property included in a mortgage the New York standard loss payable clause. The pertinent parts of this statute are:

"Each fire insurance policy on buildings taken out by a mortgagor or grant-

or in a deed of trust shall have attached, or shall contain substantially the following mortgagee clause . . ."

Mortgagee's Rights Superior

If this statute automatically writes into each policy on mortgaged property the regular loss payable clause, then the mortgagee should prevail because its rights would be prior in time and superior in right to those of the assignees who stand in the shoes of the insured. It appears that the assignments of the proceeds of the policies were made after the fire and for the purpose of making compensation to Piles and Breland for services rendered by them to the insured as his attorneys. The lower court found that the insured was indebted to Plywood in the sum of \$39,961 as evidenced by a valid judgment rendered in a state court against the insured in favor of the mortgagee. Any sums recovered in this action by Plywood must, of course, be applied in reduction of the mortgage indebtedness of the insured. It is obvious that the insured has no right, legal or otherwise, to have his mortgage indebtedness thus reduced and, at the same time, also to have his indebtedness to his attorneys paid or reduced by another or double recovery under the policies for the same fire loss.

Insured's Consent Not Needed

The court went on to say that since it is the duty of the mortgagor and the insurer to have attached or inserted the proper loss payable clause then that which the statute requires to be done will be regarded as having been done. The statute does not require the consent of the insured; it does not require the mortgagor to take out a policy, but only that if he takes out a policy on buildings covered by a mortgage, such policy shall contain a standard loss payable clause in favor of the mortgagee. The statute being unambiguous, the court stated, it is not called upon to determine whether or not the legislature intended by such enactment to prevent fraud, lessen the temptation to arson, or to facilitate the lending of money by giving better protection to banks and money-lenders by allowing the lender to recover against the insurance company, even though the insurer might have been able to defeat a recovery by the insured because of his breach of covenants, etc.

There is only one mortgage or deed of trust and all parties knew of the existence of it. If the words of the statute mean what they say, they have placed in the mortgagee a superior right over the mortgagor to the proceeds arising from the fire damage. By the same token, the assignees who were not in the category of bonafide purchasers, have no greater right, but must stand in the shoes of the assignor.

Glenn Chapman, world war veteran and a graduate of the University of Wisconsin where he majored in insurance, has opened an agency at Kenosha, Wis. It will be known as the Chapman agency.

Chief Greybeard

William H. Wallace, vice-president of Hartford Accident, was elected president of the 25-year men's club of Hartford Fire, Hartford Accident and Hartford Live Stock at the annual dinner meeting. He succeeds David E. Logan of Hartford Fire. Vice-president is Joseph Hutchinson of the fire company. There are 185 members of whom 161 are active. Topping the active list is Charles E. Whiting of the accounts checking department of Hartford Fire with 63 years. About 125 attended the dinner.



W. H. Wallace

SPRINGFIELD F. & M. CHANGES

Parker on Board; Freeman, Landen, Almgren Promoted

Vice-president S. Dwight Parker has been elected a director of all the Springfield F. & M. companies to fill the unexpired term caused by the death of Walter B. Crutenden.

At the same time, the fire companies have elected Harry J. Landen and Charles E. Freeman as secretaries and Herbert P. Almgren as assistant secretary.

Mr. Parker, a graduate of Ohio State University, joined Springfield in 1925. He became inland marine special agent at Syracuse, in 1929 and in 1933 he was placed at the head of the New York City branch. He was elected an assistant secretary in 1937, secretary in 1939 and vice-president in 1944. Later, in 1946, he was transferred to the head office and assigned to important executive duties.

Resident Secretary at Boston

Mr. Landen, who served for several years as resident secretary at Boston, was transferred to the head office last May and assigned to duties in connection with underwriting. He went with Springfield in 1915 and, except for navy service in the first war, he has been with the organization ever since. He was appointed special agent in Alabama and Florida in 1935. In 1928, he was transferred to Boston and in 1942, he was given the title of agency superintendent. He was elected resident secretary at Boston in 1945. He served two years as president of New England Insurance Exchange and two years as president of Bay State Club.

Other Promotees' Careers

Mr. Freeman was educated at Gregg Business School at Chicago, and after serving in the navy in the first war, became associated with Continental as advertising manager. He went to Springfield F. & M. in 1930. In 1942, he was elected president of Insurance Advertising Conference. He is a past president of Advertising Club of Springfield. In 1943, he received the Pynchon etchings awarded annually by that club for outstanding service to the organization. Beside being superintendent of the business promotion department, he has supervision over the advertising, printing, photostat and supply departments.

Mr. Almgren was graduated from Springfield College in 1938. He joined Springfield in 1940. After serving in the navy he returned to Springfield F. & M. and in 1946 was appointed office superintendent.

Seek Recovery of U.&O. Loss Payment in Virginia

NORFOLK, VA.—Eight insurance companies have filed suit for \$127,000 in federal court against Parker Peanut Company, of Suffolk, Va., and its owners. The insurers paid that amount to the Suffolk firm in 1946 under U.&O. policies. The plant had burned in March, 1946 and was judged a total loss, amounting to more than \$300,000.

Charles S. Valentine, of Richmond, one of the insurance companies' attorneys, told the court that the assured had misrepresented the situation to the insurers by maintaining that no other properties were available for use. He claimed use later was made of the Boykin Peanut Company plant at Boykin to the benefit of Parker Peanut Co. and that members of the assured firm were interested in the ownership of the plant at Boykin.

The insurers had asked the court to set aside the agreement under which they had made the payment and order refund of the proportionate amount based on the earnings of the Parker company under its operations at Boykin.

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Security IS FINANCIAL

Security in a practical sense is Financial. You are presumably secure as long as the dollar value of your total resources will provide you and your dependents with the necessities of life. The importance then, of preserving one's assets, is beyond question. Few can afford any avoidable loss or reduction of them.

Insurance is regarded today as the soundest and most economical

protection against possible future misfortunes, which, because they are unpredictable, are usually beyond human power to prevent. It is the surest way of guaranteeing that if disaster strikes, you will be reimbursed within the terms of the policy, for any resulting financial loss.

Insurance—Bulwark of Protection—is a preserver of the insured's financial strength. That is Security

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Midwest PR Conference Set for Next Week

Public relations objectives of organization stock fire insurance in the midwest will be discussed at the second annual field conference to be held Sept. 26-27 in the office of Western Underwriters Assn. at Chicago.



M. E. Peterson

Following the pattern set last year, the public relations committee of W.U.A. and Western Insurance Bureau will meet with the chairman of fieldmen's committees of the 18 midwestern states. Also in attendance will be representatives of other national and regional organizations.

The first day will be devoted to reports by the field men of the projects under development in their territories. Included in the second day's activities will be remarks by other delegates and a general discussion of the program. The sessions will close with a visual U. & O. sales presentation. A banquet at the Union League Club Monday night will be addressed by E. H. Forkel, president of W.U.A. and vice-president of National Fire.

Large Displays Planned

Large displays in the meeting rooms will portray the nine points of the public relations program adopted by W.U.A. at its annual meeting last April. Included on the agenda will be a recommendation for the intensification of the public speaking program before trade groups and service clubs on the subject of capital stock fire insurance, how it operates and its public services.

M. E. Peterson, chairman of the public relations committee and vice-president of Springfield F. & M., will preside, assisted by Edward H. Born, manager of W.U.A. and Walter G. Dithmer, field supervisor. Other members of the committee are Rush W. Carter, Aetna Fire; Herbert A. Clark, Firemen's; L. E. Grigsby, Hartford; John G. McFarland, American; William E. Newcomb, Great American; George V. Whitford, Fire Association; William S. Whitford, Millers National, and Herman P. Winter, America Fore.

Other Groups to Be Represented

National Board of Fire Underwriters will be represented by George G. Traver, manager of public relations. Robert J. Vanderbeck, assistant secretary of Eastern Underwriters Assn. will represent that body. Southeastern Underwriters Assn. will send R. H. McFarland, Jr., assistant secretary. Other organizations and their representatives are: Carl C. Dickey, Ivy Lee & T. J. Ross, New York; Kent R. Parker, Western Actuarial Bureau, Chicago; George Pope and Donald Breting, Underwriters Laboratories, Chicago; F. S. King, Underwriters Adjusting, Chicago and J. L. Epler, Western Adjustment, Chicago.

Field men in attendance will be Robert K. Johnson, Aetna and Harold W. Williams, American, Illinois; Alwin E. Bulau, Home, Indiana; Robert B. Maxwell, New York Underwriters, Iowa; N. K. Nelson, Great American, Kansas; M. W. Boedeker, Royal Exchange, Kentucky; G. E. Kelly, Travelers, Michigan; Paul B. Olinger, Agricultural, Minnesota; Henry Teicher, Royal-Liverpool and R. N. Gisburne, Home, Missouri; R. M. France, Security, mountain field; E. J. Nagel, Home, Nebraska; R. A. Foltz, Springfield, Ohio; T. Ray Phillips, America Fore, Oklahoma; C. P. Dalbey, Northwestern F. & M., South Dakota; Glenn Glover, Home,

Tennessee and J. R. Lessman, National Union and P. F. Schrage, Aetna, Wisconsin. Thomas O. Nuckles, Hanover, of Ohio, will make the U. & O. sales presentation.

Michigan Agents Card Prepared

The complete program for the annual meeting next week at Grand Rapids of Michigan Assn. of Insurance Agents has been prepared in booklet form and sent to the membership. The meeting is expected to be especially interesting this year and extensive preparations have been made for honoring Michigan Insurance Commissioner David A. Forbes on his election as president of National Assn. of Insurance Commissioners. One entire evening will be given over to a reception and banquet in Mr. Forbes' honor, and insurance commissioners from surrounding states and representatives of principal associations in the industry and in Michigan will be represented.

The convention opens Monday with registration and committee meetings. In the afternoon the executive committee will meet as will the resolutions and nominating committees.

The first general session will be Tuesday morning with Russell A. Bradley, Michigan association president, in charge. Talks will be given by Windle F. Jarvis, secretary-manager of the Detroit association, on "Road Aid"; Leslie R. Silvernale, executive secretary of Michigan inter-industry highway safety committee, on "Driver Training in Public Schools," and by George W. Carter of Detroit, chairman of the midwest conference committee, on "The Conference Committee."

On Tuesday afternoon there will be an agents only session at which the committee chairmen will be in charge of discussions. Forbesday will be celebrated that evening beginning with a reception at which the Michigan pond of Blue Goose will supply the entertainment.

The insurance department will conduct the qualifying license examinations on Wednesday morning at the same time as the general session. Speakers on the program are Carl L. Strong, coordinator of insurance at Michigan State College; M. Frank McCaffrey, Detroit, chairman of the laws and legislation committee, and Corlett T. Wilson, local agent of Rockford, Ill., who will speak on "Personal Packaged Protection." The election will follow. In the afternoon, Charles P. Butler, executive vice-president of the National association, will speak. His address is titled "A National Policy of Fair Dealing."

Gov. Youngdahl Slated to Address Minn. Mutual Body

MINNEAPOLIS — Gov. Youngdahl will be the featured speaker at the luncheon Sept. 27 which will close the meeting of Minnesota Assn. of Mutual Underwriters here. Commissioner Harris will speak at the luncheon on the opening day, Sept. 26.

The program will be built around selling, with three insurance men featured at the Monday afternoon session and three men from outside the insurance business on the same theme Tuesday morning. Monday afternoon John Ramey, vice-president Farmers Home Mutual, will speak on "A Great Day for Selling." F. E. Binninger, claim manager Indiana Lumbermens Mutual, on "Selling Losses" and G. W. Hopkins, vice-president Iowa Mutual Liability, on "Selling Collections." The Tuesday morning program includes R. H. Klein of Appraisal Engineering Co. on "Appraisals Sell," Sen. A. O. Sletvold, Detroit Lakes, on "Free Enterprise—The American Way" and E. A. Cashin, Minneapolis manager Batten, Barton, Durstine & Osborn, on "Sink or Sell." There will also be a business session Tuesday

afternoon. Monday morning M. H. Jamar, president Gopher 1752 Club, will discuss the selling aids of the field organization and Joseph Brink, Minneapolis, a C.P.C.U., will discuss that program.

President Charles Ninow, Bird Island, will preside at the dinner Tuesday night and the other sessions will be headed by directors of the agents organization, Fred Bjornson, Moorhead, George Gilpin, Albert Lea, Philip Halling, Rochester, and J. R. King, Faribault.

Salary Raise for Wisconsin Commissioner Held Invalid

MADISON, WIS.—Because the salary of Commissioner Lange was increased by the legislature during his term of office, the attorney-general has ruled the increase is invalid. Mr. Lange was appointed by Gov. Rennebohm Dec. 1, 1948, to fill the unexpired term ending June 30, 1951. Previously as a civil service employee and chief life actuary, he was paid \$7,080 annually, but when he became commissioner his salary dropped to \$6,500. The 1949 legislature sought to remedy this by passing a bill which provided that a permanent employee in the classified service, appointed to a position in unclassified service, shall

continue to draw the salary he was receiving at the time of appointment. However, Attorney-general Fairchild ruled that Mr. Lange was limited to the statutory \$6,500 as insurance commissioner under the Wisconsin constitution which prohibits an increase or decrease in compensation of a public officer during his term of office.

Announce St. Louis Courses

ST. LOUIS—Arthur Quick of Home will serve as discussion leader for part I (insurance principles and practices) of the C.P.C.U. course at Washington University, which Insurance Board of St. Louis is sponsoring. C. A. DesChamps, American-Associated, will be the leader for part IV (law). The classes are to begin Sept. 26.

The N.A.I.A. standard fidelity and surety course will open Oct. 3. Fred Doenges of Fidelity & Deposit will be in charge. Other courses to be given include burglary and glass, W. A. Gray, National Surety, instructor; inland marine, S. L. Bodman, Marine Office of America; A. & H. insurance, George F. Stevens, Travelers; agency management, Daniel Layton, W. H. Markham & Co.; aviation insurance and state insurance laws.



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NOW IN OUR SECOND CENTURY OF SERVICE

A Company known by the Agents it keeps

U.S. Leaders Take Part in Marine Union Parley

By W. JUUL

Foreign Editor, the Review,
London

Some 500 to 600 delegates from all over the world met at San Remo Sept. 5-10 for the annual meeting of International Marine Insurance Union.

American Institute of Marine Underwriters was represented by J. A. Bogardus, president of Atlantic Mutual, and O. C. Torrey, first vice-president of Marine Office of America, and other Americans present were Harold Jackson, vice-president of International Marine Insurance Union and president of Wm. H. McGee & Co. of New York, H. T. Chester, member of the general average sub-committee of the union, O. R. Houston, counsel of American Institute of marine underwriters; R. Bruce Miller, member of the union's theft and pilferage committee and marine secretary of North America, and T. Jones, the London representatives of that company. In the course of my

visit to San Remo, I also came across Mr. Guerrini of American Foreign Insurance Assn. and Max Wollner, U. S. & Foreign Management, Ltd. Bruce Miller had brought with him a film on ocean cargo shipments round the world which was shown at the Casino at San Remo and gave a telling demonstration of the hazards of sea voyages.

The importance of the union is ever-growing. This year six more national associations have been elected members, namely, Australia, Brazil, Chile, Israel, Mexico and Turkey, of which Brazil, Israel and Mexico were actually represented. This brings the number of member associations to 30 from 28 different countries.

Theft and Pilferage

Max Nielsen, general manager of Baltica of Copenhagen, chairman of the theft and pilferage committee, stated that two reports had been made in the course of the year. There had been a general amelioration in respect of theft

and pilferage claims and it was, therefore, suggested that the work of the committee should be broadened from a merely reporting committee to a recommending committee and that its objectives should not be limited to theft and pilferage claims alone, but should be extended to include an examination of all means of preventing claims, such as by urging better packing, etc. There has evidently been some conflict of opinion as some underwriters wanted to confine themselves to their traditional role of underwriters, while the majority felt that under modern social conditions underwriters owed a duty to the community to assist in keeping the claims frequency low. The theft and pilferage committee has, therefore, now been reconstituted as a cargo loss prevention committee and on the suggestion of Mr. Nielsen, Harold Jackson was elected the new chairman in recognition of the great interest taken by the American market in this subject. In that respect Mr. Nielsen quoted some very expressive figures from an American source showing that whereas in 1935-45 53% of all claims were the class of claims that could have been prevented the percentage had risen to 68% in 1946 and to 79% in 1947.

He also stated that recommendations for voluntary action would be sent to shippers, consignees, port and terminal authorities, shipowners and marine underwriters, and gave examples of the range of recommendations made to the various interested parties.

Combined Marine Surcharge

E. H. N. Dowlen gave a statement on the reasons which had led the British market to merge combined marine surcharges with the basic rates. From the British point of view it was definitely a question of a merger and not of a sub-mersion. In particular Mr. Dowlen stressed that the recommendation at Noordwijk was to maintain C.M.S. as long as possible and he claimed that that mandate had been fully executed. Since Noordwijk there had been a moderate reduction in the cargo rate and the time had evidently come to restore the traditional untrammelled freedom of the market. Up till now the apprehensions entertained last year that the merger of C.M.S. with the basic rate would have serious consequence for the cargo market had by and large proved groundless. Mr. Dowlen stressed, however, that under the war time extension clauses cargo underwriters continued to cover a number of extraneous risks and counseled prudence in cargo underwriting. He was supported in that by R. A. J. Porter, chairman of Lloyd's Underwriters Assn.

Don't Realize Rhine Danger

The dangers attaching to navigation on the Rhine are probably insufficiently realized in some of the marine markets of the world, and for this reason the report made by R. Meyer, marine underwriter to La Federale of Zurich, is well worth considering. British underwriters would appear to have been notified of the heavy risks involved in transport on the Rhine but apparently this knowledge is not generally shared and many underwriters, especially American, seem to be unaware that the heavy risks in many instances carry no additional premium at all, or at least only an insignificant one.

At Noordwijk the Netherlands market showed itself particularly interested in the subject of a classification clause, a subject on which H. M. Boot, chairman of Dutch Marine Underwriters Assn. has now reported. Several countries have a classification clause which in principle is based on the wording of the institute clause and has therefore no age limit for liners. In practice this means that it is left to the discretion of the individual underwriter whether an additional premium should be charged according as he chooses to consider the vessel a liner or not. The decision may be taken case by case or as in Great Britain by reference to a list of approved liner service inserted in the

cover or contract. Though this is sound in principle, Dutch underwriters feel that too much is left at the underwriter's discretion, introducing an element of competition between underwriters individually as well as between markets generally. A fixed objective standard is preferred easily applicable in all markets. It is suggested that the age of the vessel constitutes such a standard. Several advantages were claimed to be derived from dropping the liner principle in favor of the age limit. A committee was set up to consider the whole subject.

Bankers' Clauses

Mr. Briner reported on bankers' clauses under which the banks demand indemnity against all sort of extraneous, purely financial risks which are no affair of marine underwriters, for instance demanding a 12 months' guarantee of the quality of the goods packed where the tinplate manufacturers had not been able to give the necessary guarantee. The subject will be examined and ultimately taken up with International Chamber of Commerce.

H. M. Boot, chairman of Assn. of Marine Underwriters in Holland, reported on the subject of shore and warehouse risks which continues to represent a serious problem as goods are so very often held up in ports pending the arrival of the necessary currency or import permits, etc. A committee has been appointed to consider the subject.

While at previous conference it was felt that under present conditions where the union has no whole-time secretariat of its own the union could not undertake the pre-war task of dealing with the question of average agents, W. Richter of the Vienna branch of Riunione Adriatica, reported that it had been recommended that the national market associations should now exchange their lists of average agents.

Hull Business

A. B. Stewart, chairman of the joint hull committee, gave a report of the working of the committee during the year and of the latest revision of the rating formula. He stressed that there was little real news which was always an indication of a healthy state of affairs. A reference was also made to the new disbursement clause which has been introduced in the British market in the course of the year, to the reduction in additional premiums in the Hudson Bay trade and to the abolition, or for longer voyages the reduction, in additional premiums under the Polish coal warranty, the suggestion of the Polish delegation that the fire risks in Polish coal had not been greatly diminished being accepted by underwriters. On the whole Mr. Stewart stressed that with one minor exception all changes in the course of the year had been in favor of shipowners. Mr. Stewart, however, gave a warning against writing business at a lower value at the same rate for which there will no doubt be some clamor when the peak of insurance values has

(CONTINUED ON PAGE 16)

Heads Ore. Agents

Harold Hays of the Pownall, Taylor, Hays agency of Portland, the new president of Oregon Assn. of Insurance Agencies, began his career at Pittsburgh in 1926 with American Surety. Later he joined Commercial Casualty and was in charge of the western Pennsylvania bond department. He moved to Oregon in 1933 with Loyalty group, and joined the Pownall & Taylor agency in 1945.

Mr. Hays is a past president of the Portland association and is a past most loyal gander of the Oregon Blue Goose.



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Everett North New President of Montana Assn.

Montana Assn. of Insurance Agents at the annual meeting last week at Bozeman, elected Everett North of Billings as president to succeed Gardner C. Wait, Bozeman. Vernon Christinse, Glasgow, is vice-president; Boyce Clark, Miles City, is secretary-treasurer, and George R. Miller, Helena, is state national director.

The association concluded the year with a membership increase of 53%, the total now being 226.

Speakers on the program included J. D. Kelley, Montana deputy commissioner, on "The Montana Surplus Lines Law"; Harold K. Phillips, public relations manager of Assn. of Casualty & Surety Companies, on "Something More to Sell"; M. B. Waterbury, manager at Portland for Rathbone, King & Seeley, on "Lloyds as a Surplus Market"; Frank C. Colridge, general manager of the Pacific Board; J. L. Biglen, Pacific Coast manager of New York Underwriters, and Kenneth L. Nehring, member of the executive committee of the National association. The address of Commissioner Holmes of Montana was reported last week.

Mr. Biglen explained the Board's conference program with the agents' associations. He pointed out that the board is now an advisory organization and while it may discuss rates and rating matters on an exploratory basis, it cannot reach any expressed or applied agreement.

Mr. Nehring outlined the year's accomplishments of the National association. He warned against greediness on the part of agents in accepting higher commissions, terming this the most serious problem that N.A.I.A. has today. Absence of regulation of commissions can result in a commission war unless the agents and companies discuss the situation together and avoid unilateral action. If another commission war begins and the agents accept increases and shop around for companies paying the greatest commissions, Mr. Nehring said he believes it will not be long before the government will intervene.

Should legislation be introduced in Montana tending to control commissions, he urged that the agents demand that their position be recognized. If such control is necessary, the agents must become a part of such action and receive proper consideration.

New Public Relations Pamphlet in Midwest

"What It Buys," a new pamphlet in the agency educational series of the joint public relations committee of Western Underwriters Assn. and Western Insurance Bureau, is now being distributed in the 18 states served by these organizations. This publication follows two others "A Guide for Correct Policy Writing" and "Agency Management" which were circulated earlier in the year.

The new pamphlet graphically portrays the extra values in the premium dollar paid by policyholders to the stock fire companies. Included are such subjects as the catastrophe adjustment plan, Underwriters' Laboratories, town inspections and National Board.

These publications are a part of the public relations program being pursued by the two organizations in the middle west, one of the objectives being the furtherance of internal education.

Wuersch to Local Agency

Balwin C. Wuersch, Florida manager for Travelers Fire, has joined the Nussbaum & Sons agency of Jacksonville, Fla., as manager of the insurance department. Mr. Wuersch has been in the insurance business for more than 20 years.

Installment Plan Promoted in Cal.

Founders Fire & Marine of Los Angeles is notifying agents and brokers of its annual renewal plan for payment of premiums on term business. The term premium must be \$50 or more and of course the plan is restricted to classes eligible to the term rule.

On fire and marine coverages that may be written in California for three years at two annuals, the Founders' plan calls for one full annual, renewal for the first successive year at 55% of the first annual and then renewal at 50%.

On coverages calling for 2½ annuals for three years, the first payment is a full annual and then two at 78%.

On five year business that can be written for three annuals the payments are 100% plus one at 60% plus three at 50%. Five year business at four annuals takes 100% and four at 78%.

The amount of insurance is not reduced by loss on the endorsement to the regular five for four term business.

Two U. S. Speakers on Ontario Agents' Program

At the annual meeting of Ontario Insurance Agents Assn. at Toronto Oct. 12-14, E. H. Luecke, superintendent production division of Fidelity & Casualty, will speak on "Insurance Salesmanship and Agency Service." Joseph A. Neumann, executive president of New York State Assn. of Insurance Agents, will talk on "Agency Operational Costs."

Carl E. Seibert will preside at the convention, which will feature an "Information Please" session with a panel representing Canadian Underwriters Assn., Canadian Inland Underwriters Conference, Independent Automobile Insurance Conference, Independent Fire Insurance Conference, Ontario department and the Ontario fire marshal's office. Superintendent Whitehead of Ontario will speak.

The Insurance Women's Club of Detroit at its first meeting of the season heard a talk by John R. Sutton, Jr., manager of the marine department of General Underwriters, Inc. and commodore of Grosse Pointe Yacht Club, on marine insurance for pleasure craft. Bosses night is set for Nov. 15.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago
Sept. 19, 1949

	Div.	Bid	Asked
Aetna Casualty	3.00	86	88
Aetna Fire	2.00	57	58
Aetna Life	2.50	65	67
American Alliance	1.10	24	25
American Auto	1.60	46	Bid
American Casualty ..	.80	13 1/2	14 1/2
American (N. J.) .....	.90	19 1/2	20 1/2
American Surety	2.50	59	61
Boston	2.40	66	68
Camden Fire	1.00	21	22
Continental Casualty ..	2.00	56 1/2	58
Fire Association	2.50	69	71
Fireman's Fund	2.60	84	87
Firemen's (N. J.) .....	.50	18	19
Globe & Republic	2.00	52	54
Globe .....	.50	10 1/2	11 1/2
Great Amer. Fire	1.30	35	36 1/2
Hartford Fire	2.50	133	135
Hanover Fire	1.40	32 1/2	34 1/2
Home	1.40	31 1/2	32 1/2
Ins. Co. of North Am. ..	3.50	111	113
Maryland Casualty ..	.50	15 1/2	16 1/2
Mass. Bonding	1.60	28 1/2	29 1/2
Merchants Fire, N. Y. ..	1.15	31	32
National Casualty ..	1.45	28	29
National Fire	2.00	57	58 1/2
National Union Fire ..	1.40	36 1/2	37 1/2
New Amsterdam Cas. ..	1.20	36	37 1/2
New Hampshire	2.00	44	45 1/2
North River	1.20	27	28
Ohio Casualty	1.20	53	Bid
Phoenix, Conn.	2.00	87 1/2	89
Preferred Accident ..	...	4 1/2	5
Prov. Wash.	1.40	35	36
St. Paul F. & M.	2.25	91	94
Security, Conn.	1.40	35	36 1/2
Springfield F. & M. ..	1.90	46 1/2	48
Standard Accident ..	1.45	35	36
Travelers	22.00	755	765
U. S. F. & G.	2.00	56	57 1/2
U. S. Fire	2.00	64	66

*Includes extras.

C. F. Laude Is New Head of Rain-Hail Bureau

Clay F. Laude has been appointed manager of Rain & Hail Bureau of Chicago, which has supervision over the writing of hail insurance on growing crops and hail insurance on public events for Aetna Fire, North America and Springfield F. & M. in the U. S. and Canada.

James B. Cullison, Jr., who was for many years the manager, and who stepped back into that position on a temporary basis following the death of S. K. Bjornson, is retained in the service of the bureau as consultant.

B. Y. Morris, who has been superintendent of the southern division, is named assistant manager at the head office and is moving to Chicago.

Mr. Laude graduated at Kansas State Agricultural College. He has been with Rain & Hail Bureau 28 years, starting at Chicago and then serving as special agent at Denver and later at Kansas City. In 1924 he was named superintendent of the Pacific division where he remained until he was appointed assistant manager at Chicago, Jan. 1 of this year. He served as secretary of the Pacific Coast Hail Conference from 1929 to 1947.

Mr. Morris is a graduate of the agricultural college of University of Tennessee and has been with the bureau more than 23 years. He started at Chicago and in 1937, was named special agent in charge at Raleigh, N. C. In 1940 he was appointed superintendent of the southern division. He has served as secretary of Southeastern Hail Conference since 1938.

Mr. Cullison has been engaged in the hail business more than 42 years. He started as a local agent in Oklahoma and then gained field and adjusting

experience. His management duties commenced in 1912. He became manager of the bureau in 1919. He has been prominent in all matters applying to hail insurance having served as chairman of the advisory committee of Western Hail & Adjustment Assn. for 22 years and as a former president of that organization. He is now president of Crop-Hail Insurance Actuarial Assn. and is a director of Federal Crop Insurance Corp.

Suspect Arson In Pier Fire

Atlantic City police and fire department officials believe that arson was involved in the fire which destroyed the ballroom and several concessions on the Million Dollar Pier there. The pier closed for the winter on Labor Day after another summer in which it continued to slump from its pre-war popularity when it featured some of the best shows and dance bands in the country.

The damage is estimated at about \$250,000. The insurance is about \$525,000 with an additional \$10,000 on contents. Jerry Donahue, an arson agent of the National Board's Philadelphia office, was on the scene aiding in the investigation. Evidence of two separate fires, and oily rags in the vicinity, was found with the problem now said to be one of fixing the responsibility for the fires.

Hake Named in Michigan

William A. Hake has been named special agent in Michigan by America Fore to replace M. J. Seaman who has been transferred to the western department at Chicago. Mr. Hake's headquarters will be in the National Bank building, Jackson.

Explains Financial Statements

Robert L. Winslow, Jr., of T. H. Mastin & Co. of Kansas City, addressed the Kansas City unit of Associated Industries of Missouri on insurance company financial statements.



AN AGENT'S Obligation...

Because the average layman is not familiar with insurance matters, an insurance agent has an obligation to see:

1. that his policy-holder knows about the types of insurance he needs. Choice being left to the buyer he cannot criticize the agent for failure to keep him protected.
2. that adequate amounts are purchased.
3. that insurance is placed on an economical basis in a financially sound company.

An agent placing policies with the Pawtucket Mutual can be assured that he has properly fulfilled his obligation to his client.



INCORPORATED 1848

PAWTUCKET MUTUAL

FIRE INSURANCE COMPANY

PAWTUCKET
RHODE ISLAND

Insurance Figures in FTC Meeting

(CONTINUED FROM PAGE 5)

spect to the insurance coverage he is selling when he finances a car he sells," said Mr. Uhler. "We have numerous cases in our files in which people complained they were told 'the car is fully insured,' by the salesman. We have investigated and in some leading finance offices not a day passes but that one or more of their customers go in and endeavor to report bodily injury or property damage loss, only to find they do not have such coverage."

Robert W. Tunnell, representing the governor of Delaware, said legislation dealing with "packing" practices has been considered in that state. State Senator Riordan, Michigan, said a bill proposing to "let people know what kind of insurance they are receiving" on auto purchases had passed one house in that state, and "it was estimated millions would be saved to the people if that were done." Mr. Riordan hoped for passage of a model bill in his state next session.

North Carolina Banking Commissioner Hood said his state has legislation on the subject. William Torkelson, former assistant attorney general of Wisconsin, said that state's banking department had adopted rules similar to FTC proposals and that the former have eliminated packing abuses. C. F. Fritz, Pennsylvania, also spoke.

Tells of New York Study

State Senator J. R. McGovern, New York, said that state undertook study of the practices in 1948 and he suggested that the problem be "attacked at the local level of the several states," many of which already have laws dealing with the subject. He referred to abuse of the rebate practice. He submitted a legislative committee report and two volumes of hearings dealing with the matter.

When Mr. Watson asked if a representative of the Maine insurance commissioner was present there was no response. Mr. Watson thanked Commissioners Larson and Harrington for their offers to cooperate with FTC. He said no other representatives of insurance interests had approached him with a view to speaking.

Listed Among Appearances

However, in addition to those indicated above, the following insurance representatives were listed among appearances at the conference, which numbered more than 100:

David W. Gardner, Old Republic Credit Life, Chicago;

L. R. Cook, D. C. Insurance Department;

Paul S. Connor, Texas Board of Insurance Commissioners, Austin;

H. A. Cathey, Southeastern Fire, Charlotte, N. C.;

Theodore M. Gray, Ohio Assn. of Insurance Agents;

R. E. Dixon, secretary, and Charles T. Spockman, Fire Association;

E. A. Faircloth, deputy commissioner, and Joseph H. Kolkmeier, Tallahassee, Fla.;

Edward Rosenberg, Insurance Co. of Maryland, Baltimore;

Joseph Levin, president Bankers Mutual, Washington, D. C.;

Frank J. Meistrell, Allstate, and Vestal Lemmon, National Assn. of Independent Insurers;

Edgar W. Williams, Royal-Liverpool, Washington;

Also representatives of the North Carolina Agents Assn. and of General Phoenix Corp., New York.

Frank Cain, attorney for Texas used car dealers, carried the torch for the opposition at the morning session. FTC, he said, cannot be prevented from is-

suing any rules it wants to at any time, but it is up to the courts to decide what is the law. FTC proposal No. 4, dealing with misrepresentation as to insurance rates and coverage, etc., Cain characterized as an "omnibus" proposition, an attempt to regulate conduct between two human beings, which he predicted would be unsuccessful. The proposed rules are "futile," he declared, and "the people who need them are not here." In 1945, Cain said, FTC would have had jurisdiction over 100% of used car dealers, but not now. The rules are unenforceable, he contended, they tend to put a premium on the unscrupulous and penalties upon the law-abiding, and their administrative cost would be prohibitive.

Question of Effect

W. L. Mallon, National Auto Dealers Assn., opposed regulations that would not have the effect of law. Watson replied any rules issued would have the force of law. Mr. Smith, Dallas Better Business Bureau, said the rules are almost identical with proposals by finance companies last year, except that the latter's bill "would permit insurance and finance charges to be lumped together if the dealer wanted to." He asserted that Dallas used and new car dealers approved proposals dealing with packing.

Joseph B. Danzansky, counsel National Used Car Dealers Assn., said examples of abuse submitted to the conference were "the exception, not the rule." He presented resolutions adopted at the convention of his association earlier this month supporting elimination of deceptive practices, but he said the rules must be directly in the public interest and in strict accordance with the law. Also a resolution against packing practices "by some fringe dealers," declared to be "unconscionable." The problem should be left to the states, the speaker said, and FTC should refrain from imposing additional rules that may interfere with free enterprise.

Want States to Rule

At the afternoon session observers regarded it as significant that finance company witnesses took the position that regulation of insurance angles on auto sales should be left to the states.

Eugene Heaton, counsel of Commercial Credit Co., in a lengthy discussion of the proposed rules, said it is proposed that the buyer be furnished with an itemization of his cost in the installment purchase of a motor vehicle. This proposal has been substantially enacted into law in Indiana, Wisconsin, Maryland, Pennsylvania, New York, New Jersey, Connecticut, Massachusetts, California, Michigan, and Ohio. The principal fundamental difference in the form suggested for consideration at this conference is the proposed requirement that the cost of insurance be shown in the contract separate and apart from the finance charge. This requirement is presently in effect in Maryland and Pennsylvania and will become effective in Connecticut Oct. 1. In the remaining states having disclosure statutes, the finance charge and cost of insurance may be stated in the contract as a single sum with the provision that the purchaser be advised as to the cost of insurance within a specified period after the execution of the contract. The form suggested for consideration at this conference would also have to be revised to provide for the insertion of balances remaining after the deduction or addition of certain items of the tabulation, but this is merely a matter of detail.

"As to the fundamental principle involved in expressing separately the cost of insurance, it has been a matter of practice ever since the business of automobile financing became existent to combine the cost of insurance with the financing charge, particularly with respect to used cars, and state the two factors in a single sum. The principal reason for this has been the difficulty encountered in determining the exact cost of insurance accurately at the time

an installment contract is prepared. The computation of the premium depends upon the territory in which the car is to be kept, the make, model, type, purpose for which used, the age of the car, and of course, the coverages to be furnished, all of which require the availability of complete insurance manuals in order to determine the proper premium.

"In the case of Commercial Credit Co., the purchaser of an automobile is furnished with a standard insurance policy, clearly showing the coverages and the actual cost of each form of coverage, which policies are sent to the purchasers shortly after the acquisition of installment contracts by the company. The actual experience with respect to showing the cost of insurance in the contract in Pennsylvania and Maryland has indicated that it would not be impossible to comply with such a requirement, although there apparently have been a substantial number of errors in handling business under that particular provision of the law.

Adequate Disclosures

"Various state legislatures have also given considerable thought and attention to the so-called abuses in the business which can, for the most part, be cured by adequate disclosure and have enacted laws in accordance with their findings and their determinations. It is possible that any rule promulgated as a result of this conference with respect to the itemization to be furnished to an installment purchaser will conflict with the statements required by local law unless such rule requiring such statement is sufficiently flexible to fit local state law. In the event of conflict, dealers and institutions would be confused as to which form to follow. The same would be true with respect to any requirement concerning insurance which might be included in any rules. Consideration would have to be given to the existing state laws and regulations by local authorities to avoid confusion and conflict.

"The fourth proposal offered for consideration provides that there shall be

(CONTINUED ON PAGE 13)

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TAXI-CABS — LIVERY CARS—LONG HAUL TRUCKS

BUTANE — PROPANE — GASOLINE HAULERS

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CHICAGO 4, ILLINOIS

1471 Wilshire Blvd.
LOS ANGELES 14, CALIF.Reisch Building
SPRINGFIELD, ILLINOIS

WANT ADS

EXPERIENCED ADJUSTER AVAILABLE

Adjuster handling Fire & Allied Lines with same company for 10 yrs. desires to make change. A man of proven ability, consisting of Manager company branch office, can operate without local supervision. Prefer direct company affiliation in Western Dept. Cook County and surrounding area. Can furnish best of references. Available 30 days notice. Address: V-39, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

GENERAL AGENCY

Connection desired by progressive, well-established stock casualty company for development of workmen's compensation and liability lines in Louisiana and Mississippi. Address V-33, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Young man to assist marine broker—Knowledge shorthand required. Small office—good salary. Excellent future. Address V-92, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ACCOUNTING SERVICE AVAILABLE

Insurance Accountant, with 25 years experience in New York, in charge of accounting for Chicago Agency will provide complete accounting service to brokers whose volume does not justify employment of full time accountant. This top service available reasonable. Address V-30, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Results in Aviation Field Tabulated

The New York department has released a tabulation of aviation statistics summarized on an estimated earned basis for the policy years 1944-1948 inclusive, results were compiled by Company Service Corp. as statistical agent for the department.

The compilations represent the experience of stock companies only, covering

direct business excluding reinsurance.

To reflect proper relationship to incurred losses, written premiums for the policy years 1944 to 1947 inclusive, have been treated as fully earned, while the written premiums for policy year 1948 have been adjusted to an earned premium basis by applying estimated percentages.

Policy Year Experience to December 31, 1948

Policy Year	Net Direct Premiums Earned	Incur Losses Including Allocated Claim Expense	Paid Losses Including Allocated Claim Expense	Loss Reserve Dec. 31, 1948	Loss Ratio
HULL GROUND COVERAGES					
1944	2,044,320	973,932	967,029	6,903	47.64
1945	2,839,943	2,190,080	2,145,560	44,520	77.12
1946	6,039,914	4,601,841	4,559,843	41,998	76.19
1947	5,725,648	5,228,180	4,949,376	278,805	91.31
1948	*3,072,626	1,763,927	1,158,218	605,709	57.41
Total	19,722,461	14,757,960	13,780,025	977,935	74.82
HULL CRASH COVERAGES					
1944	1,977,442	1,459,046	1,458,496	550	73.78
1945	3,439,262	4,504,480	4,472,894	31,586	130.97
1946	9,694,359	7,244,777	7,177,617	67,160	83.33
1947	8,568,553	5,838,173	5,538,253	299,920	68.13
1948	*4,382,845	4,068,799	2,017,181	2,051,618	92.83
Total	27,062,461	23,115,275	20,664,441	2,450,834	85.41
AIRCRAFT PASSENGER LIABILITY					
1944	2,377,491	1,239,852	1,298,263	41,589	56.36
1945	3,016,663	2,206,740	1,491,115	715,625	73.15
1946	4,408,160	4,302,982	2,421,457	1,881,525	97.61
1947	5,136,254	4,097,927	779,555	3,318,072	79.78
1948	*2,736,029	1,479,753	374,897	1,104,856	54.08
Total	17,674,597	13,427,254	6,365,587	7,061,667	75.97
AIRCRAFT PUBLIC LIABILITY					
1944	460,253	120,011	60,521	59,490	26.08
1945	388,045	71,543	63,748	7,795	18.44
1946	842,320	421,233	152,174	269,059	50.01
1947	1,059,741	373,703	118,229	255,474	35.26
1948	*612,557	215,290	7,222	208,068	35.15
Total	3,362,816	1,201,780	401,894	799,886	35.74
AIRCRAFT PROPERTY DAMAGE LIABILITY					
1944	448,533	101,846	100,287	1,559	22.71
1945	395,011	229,137	178,249	50,888	58.01
1946	848,161	537,834	381,993	155,841	63.41
1947	988,748	568,832	334,676	234,156	57.53
1948	*666,209	257,683	83,322	174,361	38.68
Total	3,346,662	1,695,332	1,078,527	616,805	50.66
AIRPORT P. L. & P. D.					
1944	129,073	42,974	31,132	11,842	32.29
1945	162,672	26,656	32,583	3,075	22.53
1946	393,531	199,815	80,325	119,488	50.77
1947	747,213	311,322	126,706	184,616	41.66
1948	*342,721	259,156	42,647	216,509	75.62
Total	1,775,210	849,921	314,393	535,528	47.88
PRODUCTS LIABILITY					
1944	65,616	1,967	1,967	.....	3.00
1945	64,642	17,506	11,006	6,500	27.08
1946	99,547	43,928	7,428	36,500	44.13
1947	117,768	40,401	11,126	29,275	34.31
1948	*54,807	5,816	141	5,675	10.61
Total	402,380	109,618	31,668	77,950	27.24
PERSONAL ACCIDENT (Individual & Group)					
1944	1,351,547	552,013	551,163	850	40.84
1945	1,307,653	679,025	675,325	3,700	51.93
1946	2,101,111	804,898	776,755	27,943	38.30
1947	2,363,695	1,135,183	1,034,468	100,715	48.03
1948	*1,352,169	607,691	492,579	115,112	44.94
Total	8,476,205	3,778,610	3,530,290	248,320	44.58
HANGAR KEEPERS					
1944	65,451	1,892	1,892	.....	2.89
1945	76,859	47,584	43,434	4,150	61.91
1946	127,705	50,852	27,752	23,100	39.82
1947	136,955	91,979	24,163	67,816	67.16
1948	*74,994	21,157	3,372	17,785	28.21
Total	481,964	213,464	100,613	112,851	44.29
BAGGAGE					
1944	28,692	29,759	29,759	.....	103.72
1945	30,263	20,036	20,036	.....	66.21
1946	56,810	49,608	48,908	700	87.32
1947	83,841	103,106	67,667	35,439	122.98
1948	*74,381	76,203	35,273	40,930	102.45
Total	273,987	278,712	201,643	77,069	101.72

*Estimated earned premiums.

Winders in Casper Post

George L. Winders has resigned as executive special agent covering Nebraska, Colorado and Wyoming for Grain Dealers' National Mutual Fire, and has assumed his duties as president and manager of the Western Agency of Casper, Wyo. Oscar J. Whitlock is vice-president of that agency, and R. A. Galley secretary and treasurer.

Companies represented are Grain Dealers National, Northwestern Mutual

Fire, Central Manufacturers Mutual, Oregon Mutual, American Aviation & General, Northwest Casualty, Iowa Mutual Liability, Iowa Home Mutual Casualty and American Casualty.

Moves to Philadelphia

Penn-Liberty of West Chester, Pa., is preparing to move its head office to Philadelphia. It will be located at 1518 Walnut street. The executive and underwriting offices are being moved there.

Guy C. Eaby Is New President of Mutual Group

Guy C. Eaby of Lancaster, Pa., secretary Lancaster County Mutual, was elected president for the coming year of National Assn. of Mutual Insurance Companies at the organization's annual meeting at Salt Lake City. The meeting was attended by 878 representatives of mutual fire and casualty insurance companies, according to final registration figures.

Chosen vice-president was E. J. Brookhart, Celina, O., secretary-treasurer National Mutual, who also is president of Federation of Mutual Fire Insurance Companies. I. G. Saltmarsh, Indianapolis, president Indiana Lumbermen's Mutual, was reelected treasurer. Harry P. Cooper, Jr., Indianapolis, was reappointed secretary by the directors. Named national councillor to the U. S. Chamber of Commerce was Leo A. Mingenbach, Stevens Point, executive vice-president of Hardware Dealers Mutual Fire.

Elected directors for three-year terms: Paul Franklin, Norwich, Conn., secretary New London County Mutual Fire; J. H. R. Timanus, Philadelphia, secretary-treasurer Philadelphia Contributionship; Donald A. Tripp, Belvidere, Ill., secretary Illinois Mutual Fire, and Fred Wessels, Jr., vice-president and secretary Atlantic Mutual Fire of Savannah.

New executive committee consists of: Messrs. Eaby, Brookhart, Saltmarsh, Mingenbach, Tripp, and H. L. Kennicott, Chicago, secretary Lumbermen's Mutual Casualty, and immediate past president; C. B. Funderburk, Atlanta, secretary Cotton Farmers Mutual; C. J. Robideau, LaMoure, N. D., secretary North Dakota Farmers Mutual Tornado & Cyclone; W. C. Searl, Lansing, secre-

tary and general counsel Auto-Owners, and R. M. Stanton, Greenville, N. Y., secretary Capital District Grange Co-operative Fire.

New "Mr. Trouble" Booklet Is Fire and E. C. Sales Aid

"Mr. Trouble," a new 12-page booklet describing the need for fire insurance and extended coverage, has just been published by the Fire, Casualty and Surety Bulletins of The National Underwriter Company.

It employs a unique visual approach designed to hold the interest of the person not familiar with the purpose of the coverage. Simple illustrations portray the mythical "Mr. Trouble" causing fire damage, explosions, etc.—every hazard covered by the standard protection. The last page of this 3 by 4½ inch booklet tells the reader how he can protect himself against "Mr. Trouble's" ravages.

Booklets may be ordered directly from any office of The National Underwriter Co. or directly from the F.C.&S. Bulletins, 20 East Fourth street, Cincinnati 2, Ohio. Prices are: 100 for \$4; 250 for \$8; 500 for \$13.50; 1,000 for \$28 and 5,000 for \$120. If imprints are desired, an additional charge of \$3.50 is made on all orders of less than 5,000. A sample may be obtained upon request.

Smith Is Orange Chief

Robert U. Smith, Santa Ana, was elected president of the Orange County, Cal., Assn. of Insurance Agents at the annual meeting. Other new officers are: Vice-president, Curtis R. Bristol, Santa Ana, and secretary-treasurer, Maurice Stanley, Balboa Island.

H. V. Griffin, Cleveland, Tenn., local insurance agent, has been appointed chairman of the Community Chest campaign.

Residence Mutual Fire of Los Angeles county has applied for license.

"TO THE MAN WHO HAS NEVER HEARD OF YOU . . . YOU DO NOT EXIST"

AGENTS who represent a well-known Company themselves become well-known.

Agents of the Royal Exchange Group enjoy prestige and are enabled to attract a splendid type of business because they represent one of the oldest, strongest and best known insurance institutions in the world: an institution noted for the excellency of its service to agents and insured alike.



Royal Exchange Group

ROYAL EXCHANGE ASSURANCE

PROVIDENT FIRE INSURANCE COMPANY

THE STATE ASSURANCE COMPANY, LTD.

CAR & GENERAL INSURANCE CORP., LTD.

111 JOHN STREET, NEW YORK

REPRESENTATION IN PRINCIPAL CITIES OF THE UNITED STATES AND IN MOST COUNTRIES THROUGHOUT THE WORLD

FIRE & CASUALTY LINES . . . FIDELITY & SURETY BONDS

THE
PHOENIX-CONNECTICUT
GROUP
of
Fire Insurance Companies



The Phoenix
Insurance Company, Hartford, Conn.
1874

The Connecticut
Fire Insurance Co., Hartford, Conn.
1860

FOUITABLE
Fire & Marine Insurance Company
Providence, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA
Montreal, Canada



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30 Trinity Street

CHICAGO
Insurance Exchange

NEW YORK
110 William Street

SAN FRANCISCO
220 Montgomery Street

MONTREAL
485 McGill Street



All Forms of Fire and
Property Insurance including
Ocean and Inland Marine
Country-wide Brokerage Service

TIME TRIED & FIRE TESTED

NEW YORK

FIRST P. & I. CLASS

The Insurance Society of New York's first protection and indemnity class, for marine insurance and shipping industry representatives, covers vessel owner's liabilities for personal injuries, cargo damage, damage to piers, fines, etc.; claim problems of shipping operators and elimination of hazards.

SIMPLIFIED LICENSING

The New York department will begin to use its new simplified form of renewal application for brokers' licenses Nov. 1. The application form is about the size of a bank check and contains nine short questions instead of 14 long questions required in previous years. Brokerage firms which do business under a partnership or corporation form of license will continue to make out the long form of application.

The license itself is the same size, and may easily be folded for insertion in a billfold.

Use of card forms will permit partial mechanization of several administrative operations in the licensing division and is a step forward in simplifying the licensing procedure.

CHICAGO

HONOR 90TH ANNIVERSARY

The 90th anniversary of Moore, Case, Lyman & Hubbard was commemorated at a dinner and cocktail party sponsored by Hartford Accident. The Chicago agency has represented Hartford A. & I. throughout its 36 years.

George H. Moloney, vice-president of Hartford A. & I. at Chicago, was toastmaster at the dinner and talks were made by the present partners of the agency. They are J. K. Walker, Harry E. Knight, S. A. Rothermel, Frank Coffin and Waldo B. Ames.

Mr. Coffin, who is in charge of production, at the same time celebrated his 25th year with the agency. He has been an agency partner since 1938. His father, Fred Y. Coffin, was with the agency for 50 years and was president at the time of his retirement.

BUYERS HOLD PARLEY

At the first fall meeting of Mid-West Insurance Buyers Assn. at Chicago a panel of four prominent insurance men discussed "New Property Insurance Developments". Gordon F. Purtell, American National Bank, president of the association, presided.

Speakers were P. J. VanDeventer, assistant manager of Cook County Inspection Bureau; Donald K. Weiser, Chicago manager of Aetna Casualty; Col. James V. Walsh, Aetna Casualty, Hartford, and J. L. Epler, manager of education and research for Western Adjustment.

Mr. VanDeventer explained the duties of the inspection bureau and reviewed a number of coverages. Mr. Epler recalled some of the "unusual losses" he has come in contact with during his experience as an adjuster. The need for additional safety work in the home and in industry to lower compensation and disability costs was cited by Mr. Weiser. Col. Walsh discussed the national rating program for compensation and liability.

BUREAU EXPANDS

Chicago Insurance Bureau at 330 South Wells street has opened branch offices to handle the Illinois counties of Lake, McHenry, DuPage and Kane. The bureau renders underwriters credit reports and field inspections and conducts special investigations and adjustments for insurance companies. John A. Calvey is the manager. A department was recently set up to make detailed fire inspection reports and adjustments on mapped and unmapped areas.

FIELD

Atlanta Fieldmen Elect

ATLANTA—New officials of Atlanta Fire Insurance Fieldmen's Club, elected at a meeting at Radium Springs, are: Eugene Brooks, American, president; Edwin W. Nash, Firemen's, vice-president; W. G. Stephens, Jr., general agent, secretary, all of Atlanta.

Inspect Pharr, Tex.

The Alamo Field Club, San Antonio, has voted to make an inspection of Pharr, Tex., under the sponsorship of Texas Fire Prevention Assn. Tentative dates are Nov. 15-16.

Hipps to Phoenix in Ariz.

Hugh P. Hipps has been added to the field staff of Phoenix of Hartford at Phoenix, Ariz. He becomes special agent assisting State Agent Charles C. Luce. He graduated at Duke university and served in the air force during the war emerging as a captain. Since then he has been with Arizona Fire Rating Bureau.

Mills to Natl. Union in Ind.

W. R. Mills has been appointed special agent of National Union in Indiana. He is associated with State Agent Lynn D. Swisher with headquarters at 15 East Washington street, Indianapolis.

Mr. Mills graduated from Armour Institute in 1934. Following four years with a rating organization, he entered field work and except for two years in service traveled Oklahoma and the past three years in Indiana for Commercial Union.

Field Club Inspects Longview

North Texas Field Club made an inspection of Longview this week. At a banquet following the inspection, Paul H. Brown, Texas fire insurance commissioner, and Eugene Sanders, deputy state fire marshal, spoke.

The Longview agents conducted a golf tournament and barbecue in connection with the activities.

Ohio Fire Underwriters Assn. will hold its next meeting at Columbus Oct. 11.

Thomas O. Nuckles of Hanover spoke on use and occupancy insurance at the meeting Monday of Ohio Stock Fire Insurance Speakers Club at Columbus.

MARINE

Bidgood to Texas Dept. in Inland Marine Division

Paul H. Brown, Texas fire insurance commissioner, has appointed Kenneth Bidgood of Houston assistant director of the inland marine section of the Texas department. Mr. Bidgood has been active in insurance work five years, three as an adjuster and two in a company inland marine department.

Confrey to Atlanta

Phoenix of Hartford has appointed John G. Confrey, Jr., as special agent in the southern inland marine and service department at Atlanta. Following duty in the navy, Mr. Confrey joined Phoenix and has completed a training program in all lines.

John J. Little to Field

John J. Little has been appointed marine special agent of Fireman's Fund working out of division headquarters at Dallas under the direction of Marine State Agent James J. Wallace and Manager Philip L. Pitts. Mr. Little graduated from Southern Methodist University, and served in the navy during the war. He entered the marine

insurance field in 1946 and joined Fireman's Fund in 1948 at Dallas.

Word "Industry" Misnomer But Hard to Eradicate

From William J. Montgomery, general manager of Bruce Dodson & Co., of Kansas City, Mo.

The interesting editorial in THE NATIONAL UNDERWRITER of Aug. 18 under the heading, "The Insurance Industry," raises the question of the origin of the term "insurance industry."

The first time I heard this term used was while I was working on behalf of the reciprocal exchanges with the stock and mutual company representatives in the development of the war damage program in 1941 and '42. That was often referred to as an "industry wide" program because all classes of insurers came together to help work it out.

The term clearly was used as a means of expressing the sense of cooperation of all classes of carriers in our committee's work under the chairmanship of Frank Christensen. That was thought of as an emergency undertaking in which the entire "industry" (for want of a better word) was called upon to combine their efforts to create a plan for government handling of war damage insurance and its most efficient means of distribution to property owners.

Used in Home "Ad"

I recall that shortly after the war damage program was developed the Home Insurance Company used an advertisement in which the words "insurance industry" were also used. My recollection of it is that it was a further expression of the sense of unity that prevailed among all classes of insurance carriers in the national emergency. I am sure we all thought the term "industry wide" at that time connoted the idea of cooperative effort of all branches of the "insurance industry" in a common cause.

Of course all of this occurred before the final S.E.U.A. decision was reached and it is entirely possible that the use of the word "industry" was forwarded by that development as you suggest. Certainly the term "all industry" as applied to the rating committee and the rating bill which they proposed arose out of that situation. Here again, however, it was with the idea of describing the joint action of the various classes of insurers in solving a common problem that the term was used.

Used in War Damage Discussions

Members of the war damage committee occasionally talked about the desirability of similar "industry" cooperation on future peace time problems since we were finding on that occasion that it was possible to work so harmoniously together.

It had never occurred to me before reading your article that the word "industry" in its usual sense does not apply to the business of insurance. However, since it was originally adopted as a broad collective term that contemplated all branches of the insurance business in the United States, it is easy to see why it should have taken hold as it did.

Conveniently Descriptive Term

In its narrow sense the word "industry" does not apply to the business of insurance any more than it does to banking, but when used collectively it seems to offer a conveniently descriptive term for including all of the divisions of the business, that is, stock, mutual and reciprocal, in one word. Perhaps it will be like the term "use and occupancy" in being essentially a misnomer and equally hard to eradicate.

Please do not understand my purpose to be a defense of the term in any way, but merely to point to a possible source of its origin which may not have been brought to your attention.

Insurance Angle in F.T.C. Hearing

(CONTINUED FROM PAGE 10)

no false, misleading or deceptive statements or representations through advertising or otherwise, concerning insurance rates and coverage, rates of finance charges or plans respecting methods of finance, finance charges, endorsements, repurchase agreements, or transfers of installment sales contracts, or any other matter concerning the foregoing in connection with the purchase, sale or distribution of motor vehicles. While we are entirely in sympathy with what we believe to be the thought behind this proposal in forbidding the practice of deception on the consuming public, it appears to us that this proposal is too broad in scope and too vague and indefinite to be of value either to the industry or to the public. We are unalterably opposed to statements of such a general nature as to require a legal opinion each time a minor move is contemplated in order to be certain that some hidden implication in the rule is not being violated. We are in hearty agreement with any requirement which will fairly and reasonably protect the public and enable the businessman to fairly and honestly conduct his business. It is appreciated that some few unscrupulous persons engaged in the business of handling consumer installment sales have profited through misrepresentation, particularly with respect to insurance coverage and cost. It is submitted, however, that this is a local problem to be handled and dealt with by state insurance officials and by state legislatures. The enforcement of a rule of this nature and description on a nation-wide basis would be impossible of accomplishment."

Send Back to the States

"Send this back to the state legislatures," said Joseph G. Myerson, Universal C.I.T. Credit Corp., New York.

James Bravo, Cleveland attorney, read a code of ethics adopted by the auto dealers association there dealing with insurance and other angles of auto financing. Referring to an Ohio law

requiring separate statement of insurance cost, etc., he said the insurance feature of financing contracts "has provided a hiding place for packing." He recommended legislation by other states that have not already adopted laws on the subject.

Victor Neilborg, president Assn. of Better Business Bureaus, proposed amending the rules so as to prohibit concealment of a "material fact" concerning insurance cost, financing charges, etc., in any installment sale agreement.

The banking fraternity presented its views through the following speakers: David C. Barry, Rochester Trust Co.; T. J. Fitzgerald, Bank of America, California; William F. Kelly, American Bankers Assn.

Other witnesses included Victor Brown, American Finance Co., Milwaukee.

Idaho Agents Elect Perry President

At its annual meeting at Payette Lake, the Idaho Assn. of Insurance Agents elected as president James W. Perry, Boise; vice-presidents, southern region, V. E. Graves, Caldwell; southeastern, Earle Shattuck, Idaho Falls, and northern, Oscar Nelson, Coeur d'Alene.

Harry W. Poulson, Boise, was named state national director. John Barker, Buhl; Neil Fitch, Payette; Wanek Stein, Boise; R. O. Weisel, Moscow; John E. Wimer, Wallace, and Thomas H. White, Twin Falls, were elected directors.

Impressive Program Presented

E. W. Robinson, superintendent liability department Hartford Accident, discussed comprehensive liability; Peyton R. Wise, manager marine department of the Boston, inland marine; Frank C. Colridge, manager Pacific Board, "The Pacific Board Looks Ahead," and R. B. Masters, assistant manager Security of New Haven, use and occupancy.

Others on the program were Earl H. Brockman, general manager Idaho Egg Producers, who talked on "The Insurance Buyer's Point of View"; John C. Stott, president N.A.I.A., "Socialized

Insurance"; John H. Martin, manager Standard Forms Bureau, "Ups and Downs of an Inventory, or the Operations of the Provisional Form in Slow Motion"; Phillip S. Carrell, resident vice-president American-Associated, accounts receivable and valuable papers; and A. E. Hearn, manager General Adjustment Bureau, Boise, "Adjustment Practices and Problems." The open forum was conducted by Ted Walrath, former insurance director of Idaho, aided by L. S. Flitner, manager Idaho Surveying Rating Bureau.

Independents Use Casualty Factors on Collision in Indiana

The so-called selective rating plan for collision insurance that was filed by Hoosierland Rating Bureau has been approved by Commissioner Viehmann of Indiana. Members of this rating bureau are independent companies. This plan extends to collision insurance the A-1, A-2 and A-3 classification principles involving the mileage and youthful driver factors that are common in the auto B.I. and P.D. field. A similar plan was introduced in Michigan by many of the independent companies three or four months ago. It was approved in Illinois Tuesday.

The idea is taking hold very definitely in the ranks of the independent companies and it is something that is very likely to spread to other states. Statistics have been gotten together that indicate there is a difference in experience on collision insurance as well as on B.I. and P.D. between cars with high mileage and low mileage and those with and without youthful drivers.

At the same time, Mr. Viehmann approved the filings of National Automobile Underwriters Assn. for private passenger car physical damage rates. Overall, the changes represent a very small decrease. The principal change is in the rate advantage that is offered to the new cars, the experience on which has been favorable.

Auto Physical Damage Rates Are Filed in N. C.

RALEIGH, N. C.—North Carolina Fire Insurance Rating Bureau has proposed revised rates for fire, theft, comprehensive and collision insurance and also has proposed reclassification of prewar cars. A public hearing on the revisions was held Sept. 21. Commission Cheek said the changes which would result in increases in some collision rates and decreases in others, would mean a net saving of about \$326,990 to policyholders, based on 1948 experience.

The proposed revisions are: Private passenger cars, 20% decrease in comprehensive, 18.2% decrease in fire and theft, 3.5% increase in collision (total decrease of 2.8%).

Commercial cars, local, 4.2% decrease in comprehensive, 5.6% decrease in fire and theft, and 5.2% increase in collision (total increase of 2.4%).

Commercial cars, intermediate, 7.8% decrease in comprehensive, 10.2% decrease in fire and theft, 10.1% increase in collision (total, 7.1% decrease).

Commercial cars, long distance, collision, 2% increase.

Totals are: Comprehensive 19.7% decrease, fire and theft 11.2% decrease, and collision 3.7% increase.

Organize C.P.C.U. Study Group

Central Manufacturers' Mutual has organized a C.P.C.U. study group for home office staff members. At the initial meeting 28 members of the staff enrolled. L. G. Purmort, president of Central Manufacturers, a past president of the American Institute and a member of the board, spoke. The classes are directed by M. L. Landis, home office counsel, who is a C.P.C.U. and a member of the examinations board.

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Local Board Sessions Cover Many Subjects

The three local board conferences, as usual, drew large crowds at the meeting of National Assn. of Insurance Agents in Chicago Tuesday afternoon. The traditional grouping by size of cities was continued, the divisions being over 250,000 population, 50,000-250,000 and under 50,000.

The large city group, with J. M. Hennessey, Louisville, in the chair, had a lively discussion of the legal rights of boards in concerted action, in or out rules, limited representation and non-intercourse rules. The session, which attracted over 75, also brought out much interest in the valuation service initiated by Chicago Board and touched, though in less detail, branch office agents as members, opening membership to non-

board agents, selling state and National association membership to board members, brokerage regulation, cooperation of rating and inspection organizations and the bank and agent automobile financing plan.

W. H. Bennett, N.A.I.A. counsel, discussed the legal situation, pointing out that the Minneapolis board case surprised many people who assured him local boards were completely hamstrung by the Southeastern Underwriters Assn. case. He said that agents, like any other group of people, can be in violation of anti-trust laws if they conspire to control a market, but this does not mean that every act in concert is illegal. Sec. 6 of the Clayton act, he pointed out, states that labor of human beings is not

a commodity and a recent case holds that agreements of real estate board members on commissions are not in violation.

Answering a question by J. P. Schwartz, New Orleans, about concerted board action on commissions paid brokers and solicitors, Mr. Bennett said there is no universal answer, but that a board is much safer if there is specific authorization in the non-profit corporation law of the state or if the board has obtained the approval of the insurance department.

In the discussion of in or out rules, G. W. Blomgren, secretary Minneapolis board, was asked to tell more about the celebrated case. He said that when the case arose he was shocked to discover how many members of his board knew practically nothing about their rules. Reasonable rules, he said, are good for all segments of the business, but he has no patience with people who regard board rules as primarily to stifle competition or keep legitimate insurance men out of the business.

Distinguish Cases

J. C. Dunlap, Atlanta, told of the suit which his board lost and which resulted in the rules being amended to eliminate the requirement that members represent S.E.U.A. companies exclusively. W. W. Hamilton, manager Chicago Board, said he thought the difference was the Atlanta requirement of representing S.E.U.A. companies and discussed the Miami situation, in which a similar requirement was changed after a discussion with Manuel Gorman, then assistant U. S. attorney general. Courts, he said, will look to the results of the rule and the method by which it is carried out, rather than to the language of the rule itself and he doubted that there is any general answer to these cases. J. M. Mumford, Miami, concurred in this.

On non-intercourse rules, Mr. Schwartz said that the New Orleans board has never had any trouble enforcing its rule that business may be accepted from non-members only if the commission is paid to the board instead of to the non-member. He explained in answer to a question that members are free to go anywhere if they have exhausted the facilities of the board and that the state surplus line permits them to use non-admitted carriers if admitted companies cannot carry the line. It was brought out that several other boards have similar rules.

Arthur M. O'Connell, president Cincinnati board, said that his organization has had an agency limitation rule almost since its beginning 110 years ago. He said these rules are in the public interest because they encourage a spread

of liability among companies in case of catastrophe, discourage special inducements by companies seeking to corner the agency situation in a community, avoid domination of the board by a single company, which could have a serious effect on legislative, rate and similar matters, give sound smaller companies a chance to develop, give the community the advantage of the engineering and other services of more companies and prevent companies from flooding the community with agents who should properly be solicitors or brokers.

Over the years, Mr. O'Connell said, the number of agents permitted by the Cincinnati board for a single company rose from one to four, the latter happening when the board was thrown open to agents outside the city in Hamilton county. Recently it was raised to 23 agents for any one fleet, because of the recent consolidation of companies in some fleets. Although this number seemed high to several questioners, Mr. O'Connell explained that this was the approximate number of agents of all companies in the largest fleet and that it still provides an effective check on indiscriminate appointments.

Valuation Service

Mr. Hamilton's description of Chicago Board's valuation service aroused almost universal interest. He said the board made an arrangement with an appraisal company, after soliciting bids from all such firms operating in Chicago, to supply property valuations at a scale starting at \$3.50 for a single family dwelling worth less than \$10,000, and with an agreement not to do so for non-members at the same fee. Since the plan was inaugurated at the end of 1948, Mr. Hamilton said 1,200 appraisals have been ordered and over \$16,000 has been paid in fees. Questions brought out that Chicago Board acts only as transmitting agency as to orders and remittances, that the board has received many inquiries from members of the public about this service and that what members do about the fee is a matter of private contract. Some agencies, Mr. Hamilton said, pay half the cost for their brokers, while others leave it up to the broker to sell his client on paying the fee.

R. E. Battles, Los Angeles, asked whether this plan has caused resentment among other appraisal firms. Mr. Hamilton said there have been some complaints, but the Chicago Board answer is that it asked every firm to bid and is always willing to entertain another proposition.

Edward Bachman, St. Paul, told how his board increased membership by reducing initiation fees and making a concerted effort to attract non-members,

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particularly smaller offices. During a discussion about membership standards, H. S. Hays, Portland, Ore., said that the agents of his state are convinced that they need the support of all agents operating under the system of ownership of expirations. In 1937 the state association and all 15 local boards dropped all qualifications about representing any particular class of company, as long as representation was on the ownership basis, and the results were most satisfactory. There has been no trouble there about agency limitation rules and they are backed up by legislation.

Mr. Dunlap said that his members are annoyed at slow service in getting new rates promulgated, but when he said it takes three weeks in Atlanta, agents from many other cities said they would be happy to settle for that. No one could report losing business because of this, though all agreed it is bad public relations. Writing policies at an estimated rate, subject to correction, was the most popular suggestion.

Mr. Battles described the membership campaign of his board, which offered local, state and national membership at one price. C. M. Margraff, Philadelphia, said that the bank and agent auto plan has been allowed to slide, but can be revived by salesmanship. This situation appeared to vary considerably in different cities.

MEDIUM CITY GROUP

At the group II conference for cities between 50,000 and 250,000 attended by some 100 Tuesday afternoon with Clifford D. Dill of Ft. Wayne, Ind., presiding, it was concluded that "all agents know we have a public relations job to do and that material is available." Furthermore, "all must realize that it will take time and some money if the job is done right" and "that our towns and cities are entitled to a good public relations program — that the agents rightfully should see that they get such a program."

Discussion Leaders Listed

The subject of "Means of Competing with Motor Clubs" was led by Duward B. Gibson, president of the Fort Wayne local board; "Cooperation of Rating and Inspection Organizations," led by W. D. Cotton of Little Rock; "Fire Safety" by Donald D. McPherson, Worcester, Mass.; "Traffic Safety" by Emerson H. Westwick, Assn. of Casualty & Surety Companies, Chicago; "Local Board Advertising" by Ray L. Van Kuiken, Grand Rapids, and "Cooperation with Other Trades and Civic Groups" by H. C. Horton, Winston-Salem, N. C.

Group Cover Increased

American has provided an increase in group life insurance benefits for employees, to become effective Sept. 14. Under the two group contracts in force, maximum limits of coverage have been increased from a \$6,000 to \$15,000.

All eligible employees less than 65 years of age will be insured for an amount equal to their basic annual salary rate up to a maximum of \$5,000 on a non-contributory basis, an increase of \$2,000 over the previous limit. The company pays the entire cost of this insurance.

On a contributory basis, all eligible male employees may elect to take out insurance in an amount equal to the next lower full thousand dollars of basic annual salary rate, up to a maximum of \$10,000. This represents an increase of \$7,000 over the previous limit.

WANTED FIELD WORK

Young man 28 years of age, married, owns home in Oklahoma City, would like company field work. Five years local agency experience fire, and casualty. Special Agent's job wanted in state of Oklahoma but would go elsewhere if job attractive enough. Reference furnished upon request. Immediate employment desired. Address V-95, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.



Scene before backdrop at Springfield F. & M. headquarters before which each visitor was photographed in six shooter garb—Charles E. Freeman, secretary and advertising manager of Springfield and originator of plan; D. R. McKown, Oklahoma City; W. G. Cobb, Little Rock; A. M. Anderson, Little Rock, and Roy E. Wessendorf, secretary western department of Springfield.

Each discussion was followed by lively discussion from the floor.

Mr. Gibson told how the Ft. Wayne association took over the driver training program in the high schools and traffic safety work in both the public and parochial schools which had formerly been sponsored by Chicago Motor Club, through a new public relations committee of the board. The campaign was carefully organized and fully financed, costing some \$3,000 the first year. Samples of the materials used were displayed, much of which was secured from Assn. of Casualty & Surety Companies. Belts were secured for the junior traffic patrols different from the usual white belts. Large "School Child Traffic Accident Record" signs were furnished each school. Decals were obtained for use on the automobiles of the member agents showing that they were cooperating. Newspaper advertising was used.

Mr. Gibson warned that if such programs are taken over, the board members must be willing to work, but it will be worth it.

W. D. Cotton cited examples of bureau actions that had worked to the disadvantage of agents in his state but reported that through a new joint committee of the agents' associations and local advisory committee of the field men and general agents a new spirit of cooperation has developed and he praised the new deal in the bureau and bureau relations. Few agents, he said, know much about how rates are made. Others commented that it is important that the agent of record on a risk keep informed on the rate structure and have knowledge of possible improvements for rate credits.

Worcester Results Told

The fire safety program at Worcester was outlined by Mr. McPherson, including new regulations on the installation of oil burners which are the leading cause of fires there. Others mentioned hazards peculiar to their towns, such as L. P. G. installations in Oklahoma and inspections of gas devices each fall before heating furnaces are put in service. Orville Noel of Covington, Ky., said most of the losses in his state are from oil burning ranges. He told of a plan to have every school in Kentucky evacuated at the same time during fire prevention week.

Mr. Westwick urged agents and boards to take advantage of the material and services possible from Assn. of Casualty & Surety Companies. He said there is no better public relations program than efforts to prevent accidents and save lives. He commended

from commissions on public business written by the board. The slogan, "Wings Over Grand Rapids" was used. Weekly "ads" were used alternately in two papers.

Mr. Horton told of dinner meetings given by the Winston-Salem board for various groups which developed good will and a fuller recognition of the agent in his town. At one such meeting the chamber of commerce officers were included with the chamber secretary as the speaker. They also exchange speakers with such groups as the real estate board, the life underwriters and also work with the junior chamber of commerce on Fire Prevention week campaigns. City, county and school officials were included in other groups.

SMALL TOWNS

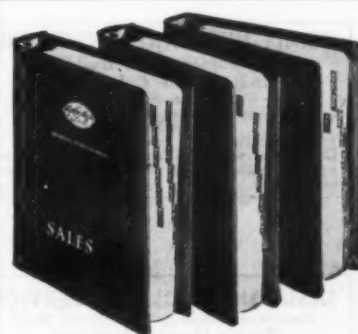
The discussions of problems of small city, county and regional boards Tuesday afternoon drew more than 60 agents who stayed 2½ hours to receive ideas for better operations. Harold E. Barnhart, Visalia, Cal., presided and kept the program moving from one subject to another while maintaining a high degree of interest in the program.

Subjects producing the most discussion were educational programs, legislative planning, and selling association memberships. Arthur L. Schwab, Staten Island, N. Y., led off the educational section by stating that use of the N.A.I.A. courses have proved to be one of the most effective means of stimulating member interest and obtaining new members. His local association, he said, was languishing until it decided to sponsor a full course.

By inviting all non-member agents to participate the board secured several new members. Mr. Schwab stated that the established agents often showed reluctance to enter the course, and this was borne out by subsequent speakers.

Urban Krier, executive secretary of the Wisconsin association, and one of the five state association secretaries attending, remarked that use of the Na-

(CONTINUED ON PAGE 19)



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U. S. Leaders at Marine Union Parley

(CONTINUED FROM PAGE 8)

been passed and again start to fall. Harold H. Mummery, deputy chairman of the joint hull committee, reminded that although on the surface things are going all right settlements in the fourth and later years may easily upset the account. He had recently had an opportunity of examining a general hull account and had been much impressed by the fact that whereas during the seven years immediately before the war 4th year and later claims had come to only 5½% of premiums they had risen to 23% for the years 1940-42. He warned hull underwriters always to keep the time-lag in mind when considering their commitments.

War Risks Insurance

N. E. Kihlbom, chairman of the war risks committee, recalled at the Noordwijk meeting it was agreed to accept a 48 hours cancellation clause. The clause has been adopted and works well in most countries, while technical difficulties still have to be overcome in others. The war risks committee will continue its endeavors to surmount the existing difficulties.

During the year which has elapsed since the meeting at Noordwijk, the council has had the waterborne agreement clause under discussion and has asked the war risks committee to examine whether any recommendations are necessary.

The general average committee over which Mr. Kihlbom also presides, having completed its task has now been dissolved. In his report Mr. Kihlbom spoke highly of the report of the committee of adjustments of Board of Underwriters of New York concerning the proposed revision of the York-Antwerp rules.

Through Bills of Lading

At Noordwijk Mr. Kihlbom gave a lecture on all the hazards to which goods are exposed under a combined land, sea and air voyage. He now gave a summary of the present position. A committee appointed by International Chamber of Commerce last March made a preliminary draft of an international convention concerning a document of title in combined transport. Justice Bagge, a Scandinavian lawyer, as chair-

man of that committee, has prepared a preliminary draft containing uniform rules of responsibility for all kinds of carriers taking part in combined transport. The committee proposed international rules of liability and special rules were drawn up for each type of transport based on the rules already established in the international convention for transport by rail, by ship and by air, that is to say, the Berne, the Hague and the Warsaw conventions. The committee further recommends compulsory rules of liability for forwarding agents, wharfingers, port and customs authorities and others who have goods in their care during the course of combined transport. There is also a proposal for rules of a negotiable uniform document of title covering the whole combined transport.

The subject of an international reinsurance association was discussed at a meeting at San Remo at which the provisional reinsurance committee, having completed its duties, was dissolved. The subject has always been a very delicate one, as any organization even remotely associated with the union could not deal with other than marine matters, which is the sole subject within the competence of the union. But apart from that old-established reinsurers, considering

themselves sleeping partners of their ceding offices, are reluctant to participate in anything even mildly savoring of a front against the ceding offices. Then, too, it is known that the British direct-writing market, with its preference for the greatest possible freedom, while not wanting in any way to damp the enthusiasm of those who believe in an international reinsurance organization, holds strongly to the view that such an association is unnecessary. It was decided to drop, for the present at any rate, the idea of an international reinsurance association. Instead, it is proposed to set up an international committee of national reinsurance organizations, which so to speak shall become the clearing house for the national reinsurance committees which already exist in Scandinavia, France, and some other countries, or which may gradually become organized elsewhere.

At the end of the meeting Mr. Briner announced that the board had been abolished and replaced by an executive committee consisting of five vice-presidents—Harold Jackson, Harold H. Mummery, A. B. Stewart, London, N. E. Kihlbom, Sweden and A. Smeesters, Paris. Mr. Briner was reelected president.

Kurt Hitke & Co. Expands Setup at Chicago

Rapid growth of business by the Kurt Hitke & Co. agency of Chicago in the fields of taxicab insurance, buses, livery vehicles and other public transportation motor vehicles country-wide has necessitated a considerable increase in the office space and a move is being made Sept. 24 to much larger and more modern quarters at A-1527 Insurance Exchange building. There will be a formal opening and house-warming Sept. 30.

Kurt Hitke, head of the agency, has been on the coast for several weeks on matters connected with the Los Angeles branch office but will return shortly before the opening. This is to be a most modern office, with air-conditioning and efficient arrangement of departments. Personnel has been increased.

Howard C. Bates is in charge of underwriting at Chicago. The staff also includes: William B. Shapiro, production manager; Fred R. Mueller, in charge of specialty risks; Robert L. Dahme, secretary, who handles underwriting; Robert K. Hitke, treasurer, who is in charge of claims, and Jack Hoffer, accountant.

Kurt Hitke & Co. operates in 26 states. It is contemplating entering Georgia and Florida as well. It furnishes a market for unusual motor vehicle risks and types at independent rates, placed in the domestic market. One of its outstanding services is the handling of liquefied petroleum fuels such as butane.

Offices are maintained at Springfield, Ill., Los Angeles and Chicago. Stewart Dillingham and John B. Lynch are co-managers at Los Angeles, where Mr. Hitke now spends much of his time; and Springfield is in charge of Wesley C. Dusenberry, who recently was transferred from Chicago, and Orrella Hinton.

N.A.I.C. Zones 2 and 3 to Meet at Louisville

State insurance officials from 16 states will gather at Louisville Oct. 25-28, for the meeting of zones 2 and 3 of National Assn. of Insurance Commissioners. Spalding Southall, Kentucky director will be host. Approximately 150, including guests, are expected to attend.

The first two days of the meeting will be devoted to discussions of casualty rates and other technical problems by actuaries and rate men. The general meetings of the commissioners, themselves, separately and then jointly by both zones will take place the following two days.

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Whisky Loss in Ky. to Exceed \$500,000

LOUISVILLE—Fire loss at the T. W. Samuels distillery, Deatsville, Ky., is reported as total on the B warehouse, containing 10,274 barrels of whisky, the latter owned by Jos. Seagram & Sons interests, Louisville and New York, and totalling something over \$500,000 in whisky alone.

The warehouse structure was worth \$75,000 or more, while there was some relatively light damage from heat or scorching to warehouse C, power lines, gauger's office and other buildings coming under the distillery schedule.

Specific coverage included: American & Foreign, \$35,000; Caledonian, \$25,000; Fidelity & Guaranty, \$40,000; Great American, \$100,000; Manhattan, \$25,000; National-Ben Franklin, \$25,000; Northern of New York, \$50,000; Pearl, \$50,000; Seaboard Fire & Marine, \$20,000; U. S. Fire, \$100,000; Vigilant, \$30,000.

Under general coverage reporting, with limits of \$200,000, Fidelity-Phenix had 75%. Phoenix of Hartford 15%, London Lloyds 10%.

The business was placed by three

agencies, Rathbone & Sons, New York, \$200,000; Milliken, Plamp & Co., Louisville, \$200,000; Citizens-Fidelity Bank & Trust Co., Louisville, \$100,000.

Western Adjustment Louisville office is handling adjustment of loss on whisky.

Deatsville is an entirely unprotected hamlet. Fire departments from Bloomfield, Mount Washington, Fern Creek, and Buechel, Ky., aided in preventing spread of the flames. The fire was out of control when first companies arrived.

Omsberg to Head Office of N.A.U.A.

Howard S. Omsberg has been appointed assistant manager of National Automobile Underwriters Assn. at the New York head office and expects to take up his new position about Nov. 1. Since June 1, 1948, he has been assistant branch secretary of the western division at Chicago. He was a member in 1926 of the first class to graduate in the Northwestern University fire insurance school. His sponsor was Great American and he served that company in the office and later in the Wisconsin field. His next move was to New Hampshire Fire as state agent in Wisconsin and the Upper Peninsula of Michigan and then he went to Chicago in 1942 as assistant general agent for New Hampshire. He remained there until joining N.A.U.A.

Probe Still Explosion

Much interest is being taken on the part of the assured and insurance engineers in trying to ascertain the cause of the explosion in a six-story aldehyde still at the Peoria distillery of Hiram Walker & Sons that caused the death of two workmen, and caused property loss of about \$500,000. There is also a large U. & O. loss, the amount of which has not been estimated.

The only witnesses were the two workmen that were killed so that the investigation has to proceed by conjecture. There is one theory that there were actually two explosions. The first, it is felt, may have been an explosion of alcohol vapor that had vented from the top of the still and was outside of the still proper. What may have set this off is also a matter of conjecture, one possibility, of course, being that it was static. Then it is thought that there was a second explosion within the still itself following the vapor train back into the still.

Jackson Award Plans

The Harold Jackson award, established by Wm. H. McGee & Co., marine underwriters, will again be awarded this year at the annual industrial packaging contest for the package which is judged to incorporate the most ingenious and effective new method of preventing pilferage. The exposition will be held at Detroit Oct. 4-6 and the contest will be conducted by Society of Industrial Packaging & Materials Handling Engineers. Mr. Jackson is president of Wm. H. McGee & Co. and past president of American Institute of Marine Underwriters. The award will be presented by an officer of McGee & Co. at dinner Oct. 5. Chairman of the judges' committee is Frank W. Green, packaging consultant of Springfield, Mass. Another member is John Mount, manager of the marine service department of North America at New York.

Natl. Union Advances Logeman

Clarence P. Logeman has been appointed assistant superintendent of the loss department of National Union. His entire insurance career has been with National Union, starting in 1929, except for two years in service.

Canadian Supts. Elect

Assn. of Insurance Superintendents of Canada meeting at St. Andrews, N. B., elected these officers: President,

J. A. Young, Regina; vice-president, E. R. Hughes, Edmonton; secretary, Roy B. Whitehead, Toronto; assistant secretary, John Edwards, Toronto; treasurer, Howard Armstrong, Toronto.

Ind. Utility Loss May Be \$1 Million

According to newspaper reports, the loss in the explosion in the turbine room of the power plant of Southeastern Indiana Power Co. at Rushville, Ind., will amount to \$1 million. This plant had been converted to diesel operations recently. It is likely that the loss will fall both upon the machinery insurer, which is Travelers, and the fire and E.C. companies. The line was placed by the Theo. Schmitt Co. of Toledo, O. Its fire company representation consists of Globe & Republic, Home and Pacific.

Plan C.P.C.U. Course at K. C.

Plans for a C.P.C.U. course of instruction at University of Kansas City were explained by Dean W. W. Thompson of the American Institute at a luncheon of Kansas City Agents Assn. last week. The project is sponsored by the educational committee of the Kansas City association.

Freshmen Indoctrinated

The 17 members of the freshman fire prevention engineering class at Illinois Institute of Technology were guests of the scholarship committee at a luncheon at Union League Club at Chicago. Sound counsel was given the young men by several members of the host group. Kent Parker, Western Actuarial Bureau, chairman of the scholarship committee, presided. Others present included K. S. Ogilvie of Western Underwriters Assn.; John J. Ahern, head of the fire prevention engineering department of Illinois Institute; Professor W. G. Labes of Illinois Institute; R. H. Lang of Western Actuarial Bureau, Curtis Welborn, president, and Alva Small, vice-chairman of Underwriters Laboratories.

Barkstedt Advanced

Henry Barkstedt, who has for many years been a key figure in general cover department of America Fore at the head office, has been named assistant secretary and transfers to the middle department under Secretary J. S. King.

Frankenmuth In New Home

Frankenmuth Mutual Auto of Frankenmuth, Mich., has completed construction of a new home office building and will conduct a formal opening Sept. 28. The staff has already moved in.

The building is a one-story ranch type of brick construction. The new address is 140 West Tuscola street.

To Inspect Fulton, Mo.

Missouri Fire Prevention Assn. will conduct its first town inspection of the season at Fulton, Sept. 28. The executive committee of the association and the chairmen of all other committees will meet at Columbia that evening and the association will hold its first fall meeting there, Sept. 29.

May Speak to Mutual Agents

Attorney General J. Howard McGrath tentatively has accepted an invitation to be principal speaker at the annual convention of the National Assn. of Mutual Insurance Agents Oct. 10-12 in Chicago.

Charles H. Blume, Jacksonville local agent, has been appointed chairman of the government division in the community chest drive of Jacksonville and Duval county.

Frank Conklin of the Airkem Smoke Odor Service addressed the September meeting of Pittsburgh Fire Loss Conference.

Pippin New Head of Delaware Agents

S. Thomas Pippin of Wilmington was elected president of Delaware Insurance Agents Assn. at the annual meeting. Vice-presidents are Donald Smith of Wilmington, Charles W. Hardesty of Dover and VanLear Stephany of Seaford, William K. Simonton of Wilmington is secretary, William C. Boyer, Jr., of Dover is treasurer.

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EDITORIAL COMMENT

Don't Dodge the Tough Job

Some are inclined to try to escape from the more difficult and burdensome tasks. They are looking for lighter and more comfortable work. Yet the duty that is not easy to perform may be the greatest educator one can have. The

more arduous tasks toughen one's mental and moral fiber. They give us all greater self confidence. Sometimes the effort to free oneself from encountering the more difficult duties leads to debility and impotence.

Backman Recognized Economist

It was a source of gratification to the surety companies to note that Dr. Jules Backman, New York University, economist, who wrote the book, "Surety Rate Making" that was published by Surety Assn. of America, appeared before the

President's fact finding board in the steel industry wage dispute in New York City.

Dr. Backman refuted testimony of union economists in respect to profits in the steel industry.

Analysis of Errors Valuable

The insurance man who is out getting business desires to make progress and build as he works. The wise agent, therefore, takes into account the various experiences and studies them so that his knowledge of human nature and selling qualities will increase. Many men make

it a point to go over the ground of the day's work and see where mistakes were made. After all it is the analysis of one's errors that counts a lot. Knowledge of this kind greatly strengthens one's ability in the selling field. It gives him greater confidence.

Getting N.A.I.A. Into a Groove

National Assn. of Insurance Agents is completing its annual meeting again at Chicago in an atmosphere of plenty and good will. There are no current issues of magnitude dividing the companies and agents. Business is good for both agent and underwriter, and the market stringency that was so acute no less than a year ago and perhaps was the main impulse that sent many agents to the Chicago convention in 1948, has all but disappeared. If it were possible for the curves to be ironed out and a level situation maintained in the insurance business, this is perhaps the level that most of those in the business would be perfectly willing to settle for.

We would say that what N.A.I.A. needs, above anything else, is a level. It has had its ups and downs and has gone off on various tangents in the past decade. It has been in anything but a groove. It is common practice to condemn a groove or a rut, and in the sense that being in a rut implies inertia, we, too, add our condemnation to such. But in the sense that being in a groove implies consistency, meshing of the gears, stability and settled policy, we think that N.A.I.A. is entitled to a good deal more of it than it has had.

During the years when the headquarters organization has been in a fluid state, the direction of the association has been pretty much in the hands

of successive crops of officers. That has meant changes in emphasis, in ebb and flow of enthusiasms and a dependence of the headquarters organization for its security on keeping on the good side of successive leaders.

Now, in the selection of Charles P. Butler as executive vice-president, the association has moved in the direction of a restoration of headquarters influence. When the headquarters develops a firm hand and says and does things that are opposed by some of the members, those that are disaffected often call it headquarters domination. Naturally there is always the danger in any organization that the secretariat may become too bossy and the officers may find themselves in the position of puppets but N.A.I.A., we think, can at this juncture run that risk with far less fear of results than to prolong the period of changing the signals and the plays every year. Mr. Butler is a strong man. He is seasoned in the ways of insurance and we think he is the man that can provide the continuity of leadership and direction which N.A.I.A. so badly wants.

John Stott, the outgoing president, has been a highly constructive and industrious leader in guiding the association through this year of readjustment and in O. Shaw Johnson, the new president, the association has a man of excellent judgment and force. His great-

est contribution perhaps can be in perfecting the teamwork of the organization up and down the line, and getting

N.A.I.A. into what may be called a groove in the best sense of that term.

PERSONAL SIDE OF THE BUSINESS

Emil C. Elling of Garner, the newly elected president of Iowa Assn. of Insurance Agents,

started in the insurance business in 1925 at the age of 24. He has built his agency entirely by his own efforts and has never purchased any other business or renewals. He has maintained exclusively a stock company agency. He became a dyed-in-the-wool stock company man largely under the inspiration of the teachings of the famous Edson S. Lott. He started in organization work about 15 years ago when he started serving on the local Iowa district board of directors. He has been serving continuously in one capacity or another since that time. He was a vice-president of the Iowa association two years ago, but desired to go no further in the organization. The nominating committee this year insisted that he accept the presidency.

Cyrus C. Washburn, who has just resigned as vice-president of Preferred Accident in charge of its Pacific Coast activities to join Associated Factors, San Francisco general agency, has been with Preferred since 1930 and in charge of the Pacific Coast since 1938. Before that he had traveled the entire United States as field supervisor. He started with Travelers at the home office in 1907 and was with the company, except for service overseas in the first world war, until 1926, when he resigned as its manager at New Haven to become Boston manager of Globe Indemnity. Later he was for two years Connecticut manager of Standard Accident.

He has always been especially interested in A. & H. insurance and is well known for the unusual sales material he has put out on that line. He has been very active in A. & H. Managers Club of San Francisco, which he served as president, and National Assn. of A. & H. Underwriters, as an executive board member for several years.

Richard H. Bancroft, secretary of St. Paul Fire & Marine, is directing 3,000 solicitors in the annual Community Chest campaign at St. Paul. R. G. Harman, assistant general manager of North British at the head office, has just finished a conference at the Pacific Coast department at San Francisco with S. P. Shotwell, manager. Mr. Harman has been making a trip about the United

States in a general survey of business conditions.

Glen C. Webb, Jr., secretary of the Webb Insurance Agency, Lima, O., was married in Cincinnati to Miss Margery Hill, the daughter of Mr. and Mrs. G. Carelton Hill of that city.

The banquet at the seventieth anniversary convention of Western Underwriters Assn. at White Sulphur Springs was the largest in the history of the association and unquestionably was one of the most pleasant. A speaker is not customary at these affairs except at 10 year intervals, and the acclaim for Tom Collins of Kansas City was universal. President E. H. Forkel, National Fire, dug back into history for an amusing story about John C. Harding, Springfield group, which served to launch Mr. Harding as the toastmaster in an appropriate vein of urbane humor. Mr. Harding carried on in the same sprightly manner.

At the head table were some of the past presidents: Mr. Harding; John Thomas, National Union; E. A. Henne, America Fore; A. F. Powrie, Fire Association; C. H. Smith, Hartford Fire, and C. W. Ohlsen, Sun.

One of the features of the public relations program presentation was the use of large display boards by Walter Dithmer of the W.U.A. staff. The series, done in large type, with pictures, and drawings, and in color, made an impressive exhibit.

Leon B. Temple, special agent at Baltimore, has completed 50 years with the North British group.

George H. Duxbury, U. S. manager, invited Mr. Temple to visit the head office and to be his guest at a testimonial luncheon. This was attended by R. G. Harman, assistant general manager from the London head office, and members of the executive family and official staff of the U. S. branch.

Mr. Duxbury paid high tribute to Mr. Temple's loyalty, efficiency and service in behalf of the companies and presented him with a gift and testimonial scroll.

That same evening Mr. Temple was guest of honor at a dinner tendered by Middle Department associates and a number of eastern field men. Secretary Robert T. Stewart acted as host, assisted by General Agent John J. Casey. The Middle Department personnel, through Mr. Stewart, presented Mr. Temple with a diamond-encrusted gold watch and matching band.

H. W. Huttenlocher, past president of Michigan Assn. of Insurance Agents, has been named commercial division chairman for the United Fund campaign at Pontiac, Mich.

Boston has established an eastern Canada department at Toronto with C. F. Mist as manager. He has been with Aetna at Montreal.



Emil C. Elling



C. C. Washburn

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DEATHS

R. E. Zimmerman, who, with his wife, was lost in the Noronic fire, was special agent of Commercial Union at Columbus, O.

Mr. Zimmerman, a native of Bakersfield, O., had been with Commercial Union more than 25 years. He was former president of Ohio Fire Underwriters Assn. The bodies of both Mr. Zimmerman and his wife have been identified. Their daughter, who was with them, escaped with slight injuries.

Frank M. Lewis, 51, member of the Lewis-Thompson agency, with offices both in St. Paul and Minneapolis, is dead. The agency was established in 1922 by Mr. Lewis, his brother, James K. Lewis, and George A. Thompson. James Lewis died a year ago.

Gilbert T. Dick, 74, local agent at St. Matthews, Ky., died at Kentucky Baptist Hospital, Louisville.

Mrs. W. S. Hukill, 79, the wife of W. S. Hukill of Hukill & Co., Cincinnati, died at her home there after a long illness. Among the survivors, in addition to Mr. Hukill, is her daughter, Mrs. Frederick Hoes, the wife of Frederick Hoes, secretary-treasurer of the agency.

Arnold Grasse, 56, who had been with Home for 25 years when he left in 1946, his last position being that of assistant secretary in the service department, died in his home at Montclair, N. J. For the last several years he had been with a New York City banking and brokerage firm.

Mr. Grasse after leaving Home was connected with the New York metropolitan department of American. In later years he had been dealing in securities, mainly insurance stocks. He was a fire protection engineering graduate of Armour Institute and for several years traveled in the middle west for the service department of Home.

Mrs. Dorothy Fielder Ingram, 52 wife of Dwight Ingram of the Griffin, Ingram & Pfaff agency, Chicago, died at her home in Lake Forest, Ill.

E. B. Southworth, Jr., who retired in 1937 as surety manager for Aetna Casualty at New York, died at Community hospital, Montclair, N. J., where he had been a patient more than six months. He had been in the bonding business 40 years at the time of his retirement, starting with City Trust Safe Deposit & Surety of New York. He was at one time New York manager for American Bonding and later for Equitable Surety of St. Louis. He went with Aetna in 1916.

Harry B. Gates, 71, South Boston, Va., local agent, died there.

Arch R. Noyes, special agent at Los Angeles for Scottish Union & National, died from a heart attack.

Louis J. Struck, 57 compensation adjuster for Hartford Accident at Chicago, died at his home. He had been with the company for 23 years.

J. O. Dameron, president of Northern Neck Mutual Fire, died at Weems, Va.

Herbert Frank Ragland, 67, of the I. S. Diefenbach Agency, Memphis, died at a hospital, three hours after he was stricken at his home.

Fred Berg, 28, office manager of Joseph F. Prola & Co., local agency of Springfield, Ill., was found shot to death in his car, the sheriff saying that it appeared to be suicide.

R. Maynard Toelle, Chicago manager of American Foreign Insurance Assn., will address the Minneapolis Insurance Club Oct. 10.

Lanier Upshaw, local agent, has been elected president of the chamber of commerce at Lakeland, Fla.

W. H. Quirk, Jr. of Quirk & Co., general agents, San Antonio, is the father of his fourth child, a son.

Agricultural offered genuine New York washed cheddar cheese from the vicinity of Watertown. On hand from the home office were G. W. Inglehart, vice-president and Wilson Lively and G. C. Peacock, secretaries.

Many Subjects at Local Board Parley

(CONTINUED FROM PAGE 15)

tional association educational equipment is one of the best means of building up a state or local body. To offset the coolness of the older agents, he advised securing the help of company field men. The association has sponsored insurance scholarships at the University of Wisconsin, and this has been of help in getting the school to aid in the program. Mr. Krier, incidentally, on Wednesday morning received his diploma as a graduate of the agency management course.

Carl Strong, coordinator of insurance training at Michigan State College, described how his school cooperates with local boards in the state.

How the Indiana association handles legislative affairs was told by Simpson Stoner of Greencastle. Mr. Stoner said that no unfavorable insurance legislation has been enacted in Indiana since 1933. The local boards begin to function on legislative matters in the primaries by determining which candidates might be most friendly. Each local board has a legislative chairman or "key man" whose job it is to contact his local representative. All dealings with the politicians are handled by this man. The policies of the state association are determined in advance when the officers and executive committee visit as many boards as possible in advance to discover what needs to be done.

Urban Krier added that his state has been successful in inviting the local representative to attend the meetings of local boards. They are asked to listen to the full discussion of insurance bills.

Reece L. Russell, Lawton, Okla., former president of the Oklahoma association, discussing selling association memberships, told how his group has been able to increase membership from 300 to more than 700 in five years.

Fire and traffic safety were discussed by W. Howard Stewart, Clearfield, Pa., and Emerson H. Westwick, Chicago safety expert of Assn. of Casualty & Surety Companies. Mr. Stewart reported that in his town of 10,000, the agents have organized themselves as leaders in safety work. Every agent takes part. The group conducts an annual meeting on safety for the local truckers and gives prizes for the best records. The fire prevention program of the National Board is followed with good results, he said.

Besides Mr. Krier, four other state secretaries were on hand to gather ideas for their groups, E. E. Hayden, California; T. M. Gray, Ohio; William H. Wiley, Connecticut, and Tom R. Weaver, Oklahoma.

Card for Insurance Accountants Annual Rally

Insurance Accountants Assn. will hold its fall conference at Boston Oct. 19-21. The program for Oct. 19 includes the annual message of President John W. Lamble of North Star, and talks by Commissioner Harrington of Massachusetts, Sterling T. Tooker, secretary personnel department Travelers, on "Selection and Rating of Supervisory Employees;" Frank Lang, of Casualty & Surety Companies, on "More Facts and Fewer Opinions." On Oct. 20, Harry Haag, office manager of the southern department of Hartford Fire, will discuss "Installment Premium Accounting;" Luther L. Hansell, assistant to comptroller, Royal-Liverpool group, "The Evolution of Accounts Checking;" John Cleary, Jr., "Ocean Marine Accounting;" J. W. Braise, Remington Rand; Bernard Torri, Shaw-Walker, "Office Planning;" Malcolm Johnson, Everett & Johnson, New York, "Federal Income Tax Changes;" George Ladner, Security of New Haven, "Insurance Accounting—Today and Tomorrow;" and an International Business

Machines representative, on "Tabulating Routine."

On Oct. 21 the program includes Everett Potter, National Board; Anthony Kerch, Resolute of Hartford, "Commercial Accounting as Applied to Insurance Accounting;" and C. G. Vanderfeen, National Surety, on "Some Notes on Accepted Practice of Determining Unearned Premium Reserve on Casualty and Surety Lines."

New N.A.U.A. Manuals Are In Effect in Many States

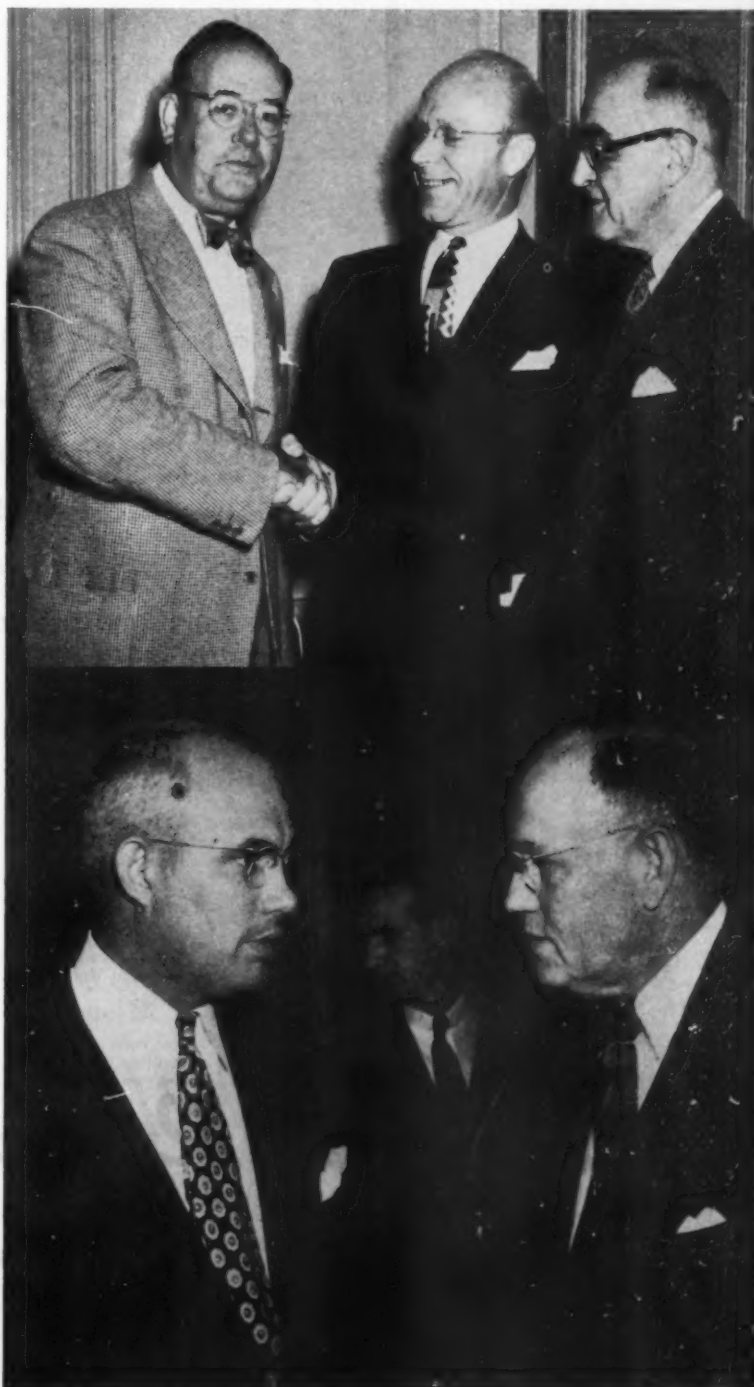
New manuals which include rate revisions have been issued by the National Automobile Underwriters Assn. for California, Oregon, Washington, Arizona, Idaho, Montana, Nevada, Utah, Alaska, Wyoming, New Mexico, Alabama, Arkansas, Georgia, Florida, South Carolina and Louisiana. A reprint of some manual pages became effective in Indiana

Sept. 16 but they changed only private passenger rates. A new manual was not issued. A hearing took place in North Carolina this week and one is expected in Virginia soon. Rates were changed in Texas last May but no new manual was issued there. It is understood that filings have been or are being made in other states with no definite date set for the rate revision or issuance of new manuals.

H. J. Kiefer Chairman

New York Board has elected H. J. Kiefer, Aetna, chairman of the committee on finance and a member of the board to succeed the late Oswald Tregaskis. Olin L. Brooks, Globe & Rutgers, was elected vice-chairman of the committee on finance.

Chris D. Sheffe, London Assurance, was appointed to succeed Mr. Tregaskis as a member of the finance committee.



Above—Walter M. Sheldon, Chicago, member of executive committee; W. O. Hildebrand, secretary Michigan Assn. of Insurance Agents, and J. F. Van Vechten, Akron, executive committee member.

Below—Willard Crotty, Jr., of J. W. Lindsley & Co., Dallas, and Melvin J. Miller, Fort Worth, executive committee members.

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LOS ANGELES

Blue Cross Losing Two Subscribers to Every Three Gained

Employers Shifting to Private Insurers, Gen. Hawley Says in Milwaukee

MILWAUKEE—Blue Cross and Blue Shield plans nation-wide are losing two subscribers to every three they gain, Maj. Gen. Paul R. Hawley, chief executive officer of the organization, told a regional conference here of officials of plans in Wisconsin, Minnesota, Iowa, Nebraska, North Dakota and Manitoba. He said cancellations have become so numerous that it creates "a very serious situation" for these organizations.

Gen. Hawley said that the plans are getting cancellations because they are not offering enough benefits. "The people want the most they can get for their dollar, but when they go to the hospital and find their insurance pays only 50 to 60% of the hospital and doctor bill, they don't like it," he said.

Employers Shifting Coverage

Commercial insurance companies are taking the business away from the Blue Cross plans in some instances, Gen. Hawley said. A number of large employers are shifting coverage, he added.

He said Blue Cross and Blue Shield are doing a good selling job, but are not following up to keep subscribers "sold" on the value of their insurance. Then, he said, "some insurance company comes along and sells the subscriber 'a bill of goods.'"

He charged that cancellations were due "to bad public relations" by the nonprofit plan. In many cases, he said, "blue" plans have internal administration so poor that there is constant bickering between their offices and participating firms over errors in billing or other factors.

"Companies covered finally get so tired of bickering over such details that they cancel out," he declared.

Must Correct Situation

Some of the plans have said that the cancellations are not real, but only a matter of bookkeeping. Gen. Hawley challenged that interpretation. He said this is no time for alibis and that some real action is necessary to correct the situation. "The fight over compulsory health insurance has made people want health protection," he added. "Now is the time to make hay."

While the rising cost of hospital operation also has created a serious situation for the hospitals, he warned against efforts to help solve it through insurance plans.

"Too many persons think that insurance is the answer to that problem," he said. But there is a limit to how much people can, or will, pay for insurance. The hospitals and doctors will price us out of the market if they succeed in hanging more of the costs on insurance."

The fact is, Gen. Hawley said, that while the charge made for rooms in hospitals has doubled in the last 10 years, the costs of drugs and other services have quadrupled. At the same time, too many physicians think that because a patient has health insurance, another X-ray or two might show something and orders them, a thing he would not

(CONTINUED ON PAGE 25)

S. D. Agents Elect Burt as President

At the convention of the South Dakota Assn. of Insurance Agents at Chamberlain officers elected were: President, W. W. Burt, McKinney & Allen, Sioux Falls; vice-president, Laurel Pease, Chamberlain; secretary, Richard Kelly, Shaw Agency, Sioux Falls; national director, Miner Shaw, Sioux Falls; and state director, Deane Davis, Sioux Falls. Other directors elected were James Carey, Aberdeen; J. M. Walsh, Huron; and James Fenton, Rapid City.

Speakers at the final banquet were John C. Stott, president of N.A.I.A., Miner Shaw and Deane Davis. A. C. Miller, Kennebec, acted as toastmaster.

In other talks, W. C. Foster, vice-president and secretary Main and Baker, Sioux Falls, discussed adjuster's problems; C. E. McLaughlin, manager Fire Underwriters Inspection Bureau, Sioux Falls, reviewed inspection bureau problems, and the assigned risk plan was explained by Commissioner Mueller and W. H. George, examiner of the South Dakota department.

Quiz Panel Popular

Other speakers were William Green, state agent, and R. Williams, general manager, both of Standard Casualty, who talked on casualty and bonds and George S. Hansen, superintendent, Rain & Hail Insurance Bureau, Minneapolis, who discussed the problems of rain and hail underwriting.

A particularly interesting feature of the convention was a program of quiz questions in the form of a panel discussion. The panel was made up of one local agent, a fire agent, a casualty agent, a fire adjuster, a casualty adjuster, and an inspection bureau official.

Insurance Featured in Ill. Chamber of Commerce Card

Insurance Director Hershey of Illinois is scheduled to take part in a feature Oct. 7 during the annual meeting of Illinois Chamber of Commerce at Chicago that is designated as "Some Pressing Problems Facing Your State Government." He will be one of eight directors of departments of the state government that will give a presentation. Chairman of the period is C. L. Morris, general manager of Illinois National Casualty and chairman of Illinois State Chamber of Commerce.

E. H. O'Connor, executive director of Insurance Economics Society, will take part in a social security clinic the afternoon of Oct. 6 on "Health Insurance—Compulsory or Voluntary?" The other speakers will be Oscar R. Ewing, administrator of federal security agency and Dr. Paul R. Hawley, chief executive of Blue Cross commission and Blue Shield commission.

To Write General Lines

ST. PAUL—Casualty Underwriters, Inc., established less than two years ago and owned entirely by local agents, is preparing to write general casualty lines by Jan. 1. Up to this time it has been writing only automobile insurance.

At a meeting of stockholders it was announced that the goal of \$400,000 capital and contributed surplus has been attained and an additional \$50,000 subscribed, which will permit the branching out into other lines.

Horan St. Louis Speaker

Phil E. Horan, counsel for Mutual Benefit H. & A., Omaha, speaks on "Delivering Claim Checks Your Greatest Asset" at a luncheon meeting of A. & H. Underwriters Assn of St. Louis Sept. 22.

N.C. Employers Demand Sharper Rate Reduction

RALEIGH, N. C.—A proposal that workmen's compensation rates be lowered by 7.2% in North Carolina was taken under advisement by Commissioner Cheek after a public hearing here.

The changes were proposed by North Carolina Compensation Rating & Inspection Bureau, but spokesmen for North Carolina Industrial Council, argued that the reduction should be 24%.

After a six-hour hearing Mr. Cheek said no decision would be made until both sides have a chance to present additional data to him and to the state insurance advisory board.

The proposed changes would take effect Oct. 1 under the original recommendation. The proposed new schedule was outlined by John F. Fletcher, manager of North Carolina bureau, and was supported by Dunbar Uthoff, representing the National Council on Compensation Insurance.

Mr. Uthoff said the present loss ratio on compensation insurance in North Carolina will permit a 7% reduction but not a greater figure, and explained the formula by which rate changes are worked out. His arguments were supported by several insurance company representatives, who contended that compensation insurance companies have made money in North Carolina in recent years, but that there has been a substantial increase in medical costs in recent years and that this type of insurance is closely linked with the economic cycle and that there is no telling what the future will bring.

Represented by E. I. Evans, consulting actuary of Columbus, North Carolina Industrial Council, contended Uthoff and insurance company representatives had ignored several factors in arriving at their figure.

On the other hand, Hubert W. Yount, vice-president of Liberty Mutual declared that the proposed revision of rates would give the public a "fair deal" and that at the present loss ratios, insurance companies operate under a small profit margin.

Mr. Evans charged that the insurance companies have "seen fit to apply current rates to obsolete pay rolls and thereby develop an understatement of premiums and an overstatement of losses." He said the average weekly wages in North Carolina have risen 34.2% in the last four years, bringing a big increase in premiums, and that this factor was not considered in the 7.2% revision figure. Wage increases, he said, have more than offset increases in benefits paid during those years.

Postpone N. Y. TDB Hearing

In order that committees now drafting regulations under the new disability benefits law may have further time to submit their recommendations, the public hearing on rules and regulations under the New York law has been postponed to Oct. 20 at 1 p. m., at Albany.

Mimeographed copies of proposed regulations to be considered at the hearing will be available at the office of the secretary of workmen's compensation board about Oct. 3.

To Discuss Welfare State Dangers

Edward H. O'Connor, managing director Insurance Economics Society of America, will address the Kenosha (Wis.) chapter of the American Professional Institute at its opening fall dinner Sept. 29. Under the title "Do We Know Where We're Going?" Mr. O'Connor will stress the political aspects of a welfare state and cite the dangers that lie ahead for the United States.

H. Earl Munz Is New President of New Jersey Agents

Auto Dealer, Finance Company Tie-ins, Topic of Much Debate

By DONALD J. REAP

ATLANTIC CITY—H. Earl Munz of Paterson was elected president of New Jersey Assn. of Insurance Agents at the annual meeting here succeeding J. Clarence Madara of Camden.



J. C. Madara

Russell E. Stevens, Newark, was named chairman of the executive committee and Herbert L. Brooks, Newark, secretary-treasurer. Charles H. Frankenbach, Westfield, was re-named state national director.

The convention, attended by about 250, approved resolutions opposing socialized medicine and recommended that something be done to make stronger the state agents licensing and qualification law.

Interest In Finance Companies

Liveliest topic at the meeting was the competition of finance companies for automobile business and the session on that subject was well attended. O. R. Carlson, assistant secretary of American, said that \$100 million in premiums were written last year by subsidiaries of finance companies. The time is now ripe he said, for agents to place great emphasis on the bank-agent auto plan. Whereas two years ago only 10% of new car sales were being financed, the figure is now about 60%. Formerly finance companies had 60% of the business with the remainder going to the banks and the proportions are now reversed. He warned that with multiple line legislation and the broadening of underwriting powers, the fire insurers writing the fire, theft and collision for the finance companies may now start seeking the casualty business as well.

An advertising and promotional campaign for the bank-agent auto plan on the county level was described by Willard Parker of Clinton. His county association used large "ads" backed up by the advertisements of individual agents and by the use of stuffers in mail to policyholders. He said that the results although not sensational were still good and on a long range basis he expected they would be quite favorable.

The banker's side of the question was outlined by Charles Fouts, assistant cashier of Hunterdon County National Bank. It developed at the meeting that banks also have a procedure for writing the collision coverages in some fire companies at 20% off manual which does away with the agent's service as effectively as the dealer and finance company. Most of the agents present, however, thought that the automobile dealer was the real threat with General Motors providing the most competition.

Mr. Madara reported that membership was 1,158. He assailed the Red Cross plan for placing its insurance on a national basis. Such insurance could be handled much better through the

(CONTINUED ON PAGE 25)

Group Retention N. Y. Hearing Set

Proposed Ruling Affecting Life and Casualty Is Issued

The New York department has called a hearing for Sept. 28 to consider the adoption of a ruling relating to agreements with or statements given to a policyholder which involve guarantees of so-called "retentions" under group policies.

The proposed ruling states that the department finds that companies are frequently asked "Do you guarantee the retentions under your group insurance policies?" The term "retention," in this connection, is understood to mean the excess of the annual gross premiums over the total of claims and dividends or retroactive premium adjustments for the policy year, expressed as a percentage of the gross premium or otherwise. The making of such a guaranty would contravene the laws of this state. (Sections 142(1), 204(2), 209, 211 and 221(9) insurance law.)

"Each company writing group insur-

ance shall conform its operations to the statutory constructions stated below.

"Many companies writing group insurance charge a fixed premium per unit of insurance benefit in force during the policy year subject to a possible reduction in cost at the end of the policy year by payment of a dividend or the allowance of a retroactive rate adjustment based on experience pursuant to Section 204(2) or section 221(9) of the insurance law. Such dividends or retroactive rate adjustments cannot be guaranteed in advance. Hence any "retention" letter or other statement given to a policyholder or prospect illustrating or describing the operation of dividend or experience rating plans must clearly state that it is not a guaranty and that the dividend or experience rating plan is fully subject to change by the insurance company.

"On the other hand, certain companies writing group A. & H. charge a tentative premium based on volume of coverage during the policy year and provide in their policies that the actual premium for the policy year will be determined retrospectively at the end of the policy year in accordance with a formula based on losses, the size of risk or other factors. The department construes that such a practice is not a retroactive rate adjustment plan authorized

by section 221(9) but is a method of premium determination subject to the statutory requirements for premium rates. Such retrospective rating formula, with the specific factors used therein, must be filed with the department and such formula with its factors must meet the prescribed requirements that the policy shall be self-supporting; that the benefits provided therein shall not be unreasonable in relation to the premium charged; and that there shall be no unfair discrimination or misrepresentation. (Sections 221(6), 154(1), 209(2), and 211(1).) In addition, such formula and applicable factors must be set forth on the policy. (Section 142(1).) If any group policy using the basis described in this paragraph for determining premiums also provides for dividends, statements with respect to such dividends are subject to the requirements of the preceding paragraph.

Life-Casualty Cleavage

"Attention is also called to the fact that, in addition to the requirement that dividends must be distributed equitably, retroactive rate adjustments pursuant to section 204(2) or section 221(9) must not involve unfair discrimination among policyholders."

This matter of group retentions has revealed a cleavage between the life and

casualty companies and there have been differences within the New York department as between the life and casualty divisions.

Okla. Makes 6.6% Cut Against Filing for 8.3% Increase

Instead of a rate increase of 8.3% that was requested by National Council on Compensation Insurance, Oklahoma state insurance board has approved a revision that produces a 6.6% overall decrease in compensation rates. E. F. LeFon, actuary for the Oklahoma insurance board, estimates that the approved rates will produce premiums of \$1,700,000 less than what the National Council filing would have produced.

The board found that the 1945-1946 Oklahoma premium and loss exhibit indicating a loss ratio of 58.9 did not embrace the actual premiums and losses but were what the board called "processed" premiums and losses. The loss ratio as the board found it was 53.2% in 1945 and 49.4% in 1946 and a ratio of 51.1 for the two years together. The board also found that according to substantially complete figures for the policy year 1947, the loss ratio was 53.2.

Embraced in the rate increase filing was a factor to compensate for 1949 law benefit increases under which the minimum payments were raised from \$10 to \$15 a week and the maximum from \$21 to \$25.

The board disallowed the 2.5 point profit factor and reduced this to 1.5. The order alleges that the rates in effect since July 1, 1948 under current and prospective conditions are excessive to the extent of 6.6%.

Flint A. & H. Men Organize

FLINT, MICH.—Assn. of A. & H. Underwriters has been organized with Martin M. Conaton as president. Vice-president is R. L. Jensen; secretary, Mrs. Helen Peterson; treasurer, A. L. Tucker.

Wesley J. A. Jones, executive secretary of the International association, formally presented the Flint organization a charter. He reviewed pending legislation affecting A. & H. insurance and said some congressional proposals for old age and disability payments could wipe out the present voluntary insurance system.

Lambert Buffalo Speaker

John B. Lambert, Mutual Benefit H. & A., Cleveland, addressed the first fall meeting of Buffalo A. & H. Underwriters Assn. on "Insurance The American Way."

Cascade Assn. of Insurance Women has been formed at Bend, Ore., with nine charter members representing agencies in that area.



Central Surety's home office in Kansas City is conveniently located to give complete service instantly to its agents, from border to border and from coast to coast.



CENTRAL SURETY AND INSURANCE CORPORATION

R. E. McGINNIS, President

HOME OFFICE KANSAS CITY, MISSOURI



H. H. Corson, Nashville, chairman midwestern conference, and W. M. Sheldon, Chicago, speaking at midwest meeting.

A. & H. Claim Ratio Too Low: Hershey

Emphasizing that his main idea is to help make the private enterprise system work so well that there will be no excuse for the government to take over, Harry B. Hershey, Illinois insurance director, offered some rather mild criticisms of claim payments by A. & H. companies in his talk before the first fall meeting of Chicago A. & H. Assn. Tuesday. He said the difficulties en-

countered in connection with that line are due to the fact that the child has grown so fast and so big in such a short time.

In reviewing the results on A. & H. in Illinois in 1948, he said the overall loss ratio was 64%, but that included group business and also Blue Cross. Without Blue Cross, it was only 43% and he said that if it were possible to take out group it probably would be down to around 40%, which he said is not too healthy a situation.

He spoke of the complaints received by the department in regard to A. & H.

claims. He said it gives the business a black eye when a claim is refused, even though the refusal is justified. "I know you can't pay them all, and that there are some chiselers," he said, but the important thing is to reduce the number of claims that are not covered, by making sure that the policyholder knows just what he is buying. The extent of the coverage can't be judged properly by the average buyer. He depends on the agent and the agent can't be too careful in filling out the application and checking on the accuracy of the statements made. He urged the fullest co-

operation on the part of agent, underwriter and adjuster.

He stressed the necessity for eradicating from the mind of the public the idea that the government should take over. He said the main thought of every commissioner is to make the present system work.

At the outset of his address, Mr. Hershey, who was introduced by R. J. Wetterlund, vice-president and general counsel of Washington National, gave high praise for the cooperation received during the legislative session from John J. Gorman, chairman of the house insurance committee, and Russell Arrington, a member of that committee, both of whom were in attendance.

Reviews Cleveland Meeting

In opening the meeting John H. Campbell, Provident Life & Accident, Chicago association president, reviewed the highlights of the National association meeting at Cleveland. He called attention to the forum discussion on "Health Insurance—Compulsory vs. Voluntary," which is to be presented at the Palmer House the afternoon of Oct. 6 during the meeting of Illinois Chamber of Commerce. The participants will be Oscar Ewing, federal security administrator; Maj. Gen. Paul R. Hawley, chief executive officer of Blue Cross-Blue Shield, and E. H. O'Connor, managing director Insurance Economics Society.

Mr. Campbell also announced that Dr. Ralph M. Filson, medical director of Travelers, will speak at the next association meeting, which will be held Thursday, Oct. 13, at the Morrison hotel, as the La Salle is not available for that date. All meetings thereafter will be at the La Salle.

Commercial Trucking Use Invalidates Farm Cover

A policy covering a car for "farm use" is invalidated when engaged in the business of a commercial trucker, the South Dakota supreme court has held in *Sunshine Mutual vs. Addy and Janek*, intervenor.

When the policy was issued to Mr. Addy of Stanley Corners, he was not engaged in commercial trucking. Shortly thereafter he bought another truck and qualified as a class B trucker with the public utilities commission and the permit included the two trucks. The second truck was the one that was commonly used in the trucking business, but the first one was occasionally used for that purpose.

The accident occurred while the assured was engaged on a mission of delivering two head of cattle and a hog belonging to other farmers to market.

The premium rate on a truck for farm use was \$23.60 and for a truck doing commercial hauling it was \$66.06.

The court said at the time of the accident the truck was being operated as a class B motor carrier and not for farm use as contemplated by the policy.



W. K. Allen, Birmingham, and C. M. Seay, Jackson, Miss., chairman and secretary southeastern conference.



Calling attention to an often neglected hazard, this advertisement is intended to help Maryland agents and brokers sell Maryland protection to those who own, lease or operate buildings in which heating boilers or hot water tanks are installed.

He hopes it won't...

BUT IT WILL.

Just one ounce too much air—and any balloon will burst. Just one ounce too much pressure—and any heating boiler or hot water tank will explode. And when it does it can wreck a building. It can maim and kill.

No heating boiler, no hot water tank is explosion-proof. An installation may be completely automatic, up-to-date in every respect—yet blow up without warning. Safety valves and automatic controls, as well as the human element, can fail.

If you own, lease or operate a building in which this hazard exists, your property and the

property of others may be seriously damaged. There may be personal injuries or loss of life leading to expensive law suits.

A Maryland policy gives you two-way protection. You get regular inspection of all installations by skilled specialists to reduce the hazard to a minimum... and coverage of financial losses if they do occur.

Your Maryland agent or broker will be glad to explain full details at any time. Remember: because your Maryland agent knows his business, it's good business for you to know him.

MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

All forms of Casualty Insurance, Fidelity and Surety Bonds, for business, industry and the home, through 10,000 agents & brokers

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ACCIDENT AND HEALTH

Stress Training Recruits

San Antonio Assn. of A. & H. Underwriters heard A. W. Cantwell, manager of the A. & H. department of American Hospital & Life, discuss the obligations of the agency manager to the man whom he brings into the A. & H. insurance business. He took as his theme, "Successful Men, Why?" He said the success of the recruit depends primarily upon the general agent or manager. The man who brings a recruit into the selling of A. & H. has a moral obligation to see that the recruit succeeds and is properly trained. He emphasized that training is more than having a man sit down in the

office and study until he has mastered the theory of selling A. & H. He would insist on training in the field, and declared that the manager who is unwilling to go into the field and work with the salesman is lazy.

Underwriting Forum Nov. 9

An underwriting forum will be held Nov. 9 at Edgewater Beach Hotel, Chicago, sponsored by the underwriting committee of H. & A. Underwriters Conference. It will include round-table discussions of current underwriting problem and development in A. & H. insurance, in charge of D. B. Alport, Business Men's Assurance, committee

chairman. Unusual or outstanding underwriting cases submitted by conference companies will be discussed at a case clinic.

Assisting Mr. Alport in arranging the agenda are J. M. Wickman, North American L. & C., and Charles D. Scott, Great American Reserve, vice-chairmen of the committee.

Provident L. & A. in Canada

Provident Life & Accident has been licensed in Canada and has appointed Charles E. Rea, Ltd., of Toronto, general agents for Ontario. For the time being Provident intends to confine its Canadian operations to that province. It has joined Canadian Life Insurance Officers Assn. It will write life, sickness and accident, group and railroad accident insurance.

Utah A. & H. Club Resumes

SALT LAKE CITY—Utah A. & H. Club resumed its meetings Sept. 12. A. W. Conover, president of Commercial Travelers of Utah, spoke on "The Accident & Health Field," pointing out the many opportunities it offers to the agent "who is willing to get out and work."

Resolutions were adopted on the death of F. Edward Walker, a charter member of the organization, who was killed in an automobile accident July 22.

Great-West A. & H. Revisions

Great-West Life has revised its A. & H. policies along the lines adopted by most of the companies in that field, including the replacement of accidental means with accidental bodily injury and liberalization of options or elections.

Accident total disability benefits will now be paid for 104 weeks instead of 52 for "his occupation," continuing life indemnity for "any occupation." The age limit for A. & H. plans without income indemnity has been reduced to age 3.

CHANGES

Christian Pacific Head of Royal-Liverpool Bonding

Royal-Liverpool has promoted A. A. Christian to supervise fidelity and surety operations for the Pacific department at San Francisco.

For two years he has been in charge of bonding production and underwriting at the Los Angeles regional office. He has had more than 20 years experience in fidelity and surety production and underwriting.

E. E. Fitz, assistant superintendent of the bonding department at Los Angeles, is advanced to full supervision there.

U.S.F.&G. Promotes Eight

Walter M. Gray has been appointed superintendent of the burglary claim division at the U.S.F.&G. home office, succeeding J. W. Chesley who has retired. Mr. Gray has been with the company for more than 20 years, serving both in the home office and in the field.

H. B. Atwood has been placed in charge of the automobile property damage division. He was formerly in

the Baltimore city claim department. Robert Lee Smith, formerly home office claim examiner, has been appointed assistant superintendent of the home office salvage division.

Changes in the field offices of the claim department include the transfer of W. H. Martsolf, formerly superintendent of claims at Little Rock, to a similar position at Memphis; appointment of Robert H. Wood as superintendent of claims at Little Rock, promotion of Kenneth W. Karow to superintendent of claims at Louisville following retirement of E. R. Gentry.

Miss Barbara M. Fankhanel, who has been in the purchasing and supply department since 1920, has been appointed assistant superintendent of that department. John G. Butt has been named assistant superintendent of the glass department at the home office. He has been with the company since 1926.

H. E. Evans, H. W. Culbreth Elected Farm Bureau V.-P.'s

Election of Herbert E. Evans as vice-president for personnel, and Harry W. Culbreth as vice-president for public relations of the Farm Bureau insurers of Columbus is announced.

They both joined the organization in 1942. Prior to their promotions, Mr. Evans was director of personnel and Mr. Culbreth was director of policyholder relations.

James R. Moore, who has been director of publicity and advertising, was elected assistant to the president.

Seager Phila. Manager, Moore Advanced at Buffalo

David C. Seager has been appointed resident manager at Philadelphia for Maryland Casualty, reporting to H. B. Quinn, resident vice-president. He joined Maryland in 1928 as assistant manager at San Francisco. He has been resident manager at Buffalo since 1943.

To succeed Mr. Seager, R. J. Moore, formerly assistant manager at Buffalo, has been appointed resident manager. For 11 years Mr. Moore was a casualty underwriter there. In 1943 he was appointed casualty manager and last January was promoted to assistant manager.

Gustafson to American Cas.

Charles A. Gustafson has been appointed manager at Indianapolis of American Casualty. He was with Standard Accident for 12 years in home office and field work and for eight years has been in underwriting and sales promotional work for American States, developing general casualty lines.

Manning Joins Preferred

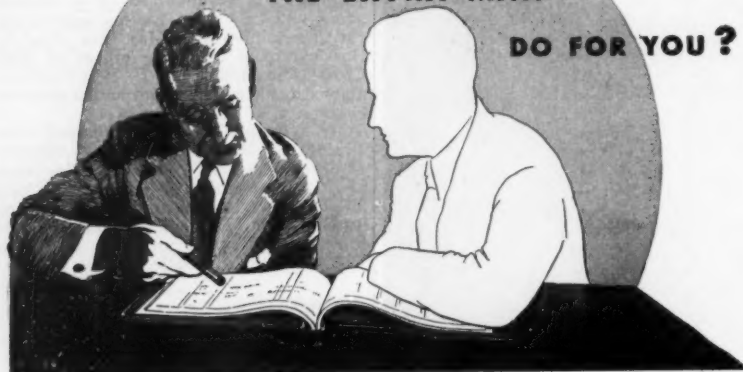
Preferred Accident has named John A. Manning as a special field representative attached to the New York metropolitan department. For many years he has been active in the fidelity and surety business in New York and Connecticut and is the author of several books on the subject.

W. S. Morgan has been advanced to assistant to the vice-president of James S. Kemper & Co. at Philadelphia.

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WOULD you like to have a group insurance or pension specialist to help you... PLAN... SELL... and SERVICE... group business? Many of your clients are going to buy it from someone. Let us provide plans which will entitle you to obtain this business from your clients.

THE Connecticut General specialist will work for you on any type of group protection. His work costs you nothing.

* The EXTRA MAN typifies the specialized help that you as a broker or surplus writer can secure from your nearest Connecticut General office. The example above is one of many ways that the EXTRA MAN can help you build or conserve business.

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U. S. BRANCH: 90 JOHN STREET, NEW YORK, N. Y.

Blue Cross Lapses Heavy, Hawley Says

(CONTINUED FROM PAGE 21)

do if the patient weren't insured, and a thing many a patient not insured would reject as too costly.

On top of that, Hawley said there was some unnecessary surgery—not a serious amount—being done, which is a factor in increased health costs. Further, he said, the costs in teaching hospitals are 50% higher than in the nonteaching and there is a question as to whether the sick patient should have to pay any part of such expenses.

Reviewing a proposal of American Hospital Assn. that a survey to uncover the reasons for increasing costs be made, Hawley said that its reference to a need for determining whether some services given patients are unnecessary is timely.

Luxury Care Demanded

"We Americans demand a luxury level of all kinds of service," he said. "When we pull up to a filling station, we want the windshield wiped and the tires pumped up for us. We want everybody to be hopping to serve us in hotels. When we go to a hospital, we're getting standard care bordering on luxury. In contrast, in England even before their present national health scheme, they got the bare austerity of care in the hospital which might be just as effective, if not as comfortable."

The better hospital administrators are getting down to brass tacks in running their places economically and holding costs in check, Hawley said. But there are factors in sending costs up that need the sort of study now contemplated. Reductions in those costs must, however, come from the people who furnish the services, not from the insurance plans that are designed to help pay for it.

New Corporations Held Up

Gen. Hawley said he expects approval by the Illinois department within 10 days of plans for a new corporation, Health Service, Inc., to write hospital insurance on a national scale, but said that plan has run into some obstacles, and expressed the belief that "pressure was exerted by commercial insurance companies" to hamper Blue Cross in getting that charter. Blue Shield, projecting a similar corporation, will apply for a charter in Ohio, because that state's insurance department "is a career organization less sensitive to pressure than in Illinois," Gen. Hawley said.

Federalized hospitalization in Saskatchewan and British Columbia is running into deficits, Philip Dawson, Winnipeg, assistant director of Manitoba Hospital Service, reported. Saskatchewan, he said, has spent \$8 million to operate its hospital plan, although it appropriated only \$3½ million. The cost is hitting \$11.41 per capita, while in Winnipeg the per capita cost for Blue Cross care is \$5.27 a day, he said. In British Columbia, he commented, the chronically ill and the aged sick are cared for in hospitals at a cost of \$7.50 a day, while in Manitoba, whose such sick are cared for in a home supported by the government, the cost is down to \$2 a day. British Columbia's per capita government hospital cost for other sick is \$15 plus a day, nearly three times that paid by Manitoba's Blue Cross.

Quitting Surety Assn.

Pacific Indemnity has filed notice of intention to resign from Surety Assn. of America.

Allstate Enters Canada

Allstate has been licensed to write automobile and personal accident insurance in Canada. A. J. Lester, Toronto, is chief agent.

Munz New Jersey Agents' New Head

(CONTINUED FROM PAGE 21)

local agent, he said, citing the plan for malpractice insurance for the medical and dental societies of New Jersey. Both those societies have a plan with U.S.F. & G. and doctors and dentists may purchase a group policy through their local agent. He praised the work of Executive Secretary Charles J. Unger.

Charles P. Butler, executive vice-president of National Assn. of Insurance Agents, spoke at the first afternoon session. The dinner speaker was Governor Driscoll.

Forum on Sale of Sidelines

At a forum on selling sidelines, Mr. Munz presided. James E. Bentley, special agent at Camden from Hartford Fire, discussed business interruption. Matthew A. Rieder, special agent, Century Indemnity, discussed the comprehensive liability policy and noted that without it holes were often found in coverage particularly for structural alterations, advertising signs away from the prem-

ises, equipment rented to others, exhibitions, parking lots, etc. Woolsey M. Wheeler, marine special agent of Home, suggested the use of the wedding present floater as an ideal way to get started on the personal side of the inland marine field. He suggested that agents follow the society section of newspapers and use the wedding present floater as a lead line. Ordinarily, he said the personal property floater with its \$60 minimum premium is too expensive for a young married couple and they should be sold specific coverage on jewels or furs. Later, he said, they may qualify for PPF. Parcel post \$5 coupon books are the best way to get started on the commercial lines and after that the agent can get into transportation coverage for the client, he said.

TDB Like Social Security

Accident and health sales were plugged by James M. Bollinger, vice-president of C. W. Bollinger Co. of Newark. In addition to personal lines, he suggested selling non-occupational disability benefits coverage and taking business away from the state fund. He said the New Jersey temporary disability benefits law seemed to have an effect like that of social security legislation and

made people more conscious of the value of the line.

Richard E. Farrer, director of education of N.A.I.A., discussed that group's educational program.

The state association's education plans were discussed by Mr. Stevens and by F. C. Ackerman, vice-president of the Mercer county association.

At the concluding luncheon Herbert A. Faunce, president of the Atlantic county association, greeted the delegates. The speaker was Dr. Frederick Schweitzer, president of Bloomfield College.

Vogt to Crane Agency

Henry T. Vogt has become manager of the casualty and surety department of the Charles L. Crane agency, St. Louis, to fill the vacancy created by the death of E. F. Smith.

Mr. Vogt studied law at DePaul University and St. Louis University before entering the insurance business about 26 years ago. He started with Maryland Casualty as a special agent in the bonding claim department and was with that company at St. Louis about 23 years, the last five years as resident manager. For the past 30 months he has been assistant manager for production in the St. Louis office of National Surety.

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CONTENTS

- (1) Detailed description of all Provident commercial forms.
- (2) Summary of optional extra benefits available—hospital, surgical, medical care, and blanket accident expense riders.
- (3) List of the more frequently encountered occupations, classified A through G.

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Butler Sets Out Basic Commission Principles

In his talk on the commission situation before the national board of state directors Tuesday morning, Charles P. Butler, executive vice-president National Assn. of Insurance Agents, proposed creation of a committee on commissions. He recommended that the committee consist of 10 members—two men from each territorial conference—given the

specific authority to consult with any other segment of the business or government. "The only authority that committee should have is the authority to consult, and the only obligation that committee should have is the obligation to keep the membership of the National association informed on any and every phase of the commission problem," he

Corroon & Reynolds luminaries—P. F. Freilich, Chicago manager; John R. Barry, president, and R. R. Wilde, vice-president.



UNITED STATES CASUALTY COMPANY



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New York

said, emphasizing that, while the basic principles are national, the solution must come at the local level from each agent and each individual company.

Tracing the growth of the 53-year-old commission problem, Mr. Butler discussed each major phase including competition, adequacy of commission, the fixing of the commission, direct writing—which he defined as including writing for brokers and non-policy writing agents—the effect of economic conditions, the effect on services rendered by the agents, the public interest and each important step in its treatment, from the organization meeting of N.A.I.A. in 1896 to the Pennsylvania rate deviation situation this year.

Mr. Butler said that in the near future the insurance business will be confronted with the decision of choosing some method of control of commissions. He stressed, however, that "it is not the right of this National association to contravene in any way the wishes of the agents in any state association or in any local association in dealing with the commission problem as they see fit in their own state and communities to meet the problem there."

In considering how to control commissions, Mr. Butler stressed, "nothing would more quickly and completely frustrate the association and bankrupt the morale upon which it must travel than for anyone or any group to accomplish and bring about a jurisdiction or any authority in your National association over the subject of commissions." He said this phase of the problem is of the greatest concern among both agents and companies and the one which carries the greatest possibility of making a mistake.

Ask These Questions

"Preparatory to arriving at any decisions regarding a solution of the problem," Mr. Butler continued, "the individual must ask himself the following questions:

"Do you believe commissions as a fundamental part of the insurance business are subject, like every other part of the insurance business, to fairly meeting the public interest?"

"Do you believe that commissions to whomever and wherever they are paid, must be fair and reasonable?"

"Do you believe that stability in rate levels is desirable?"

"Do you believe that instability in commission levels can cause instability in rate levels?"

"Do you believe that the device of deviation is a reasonable method to be invoked by the companies as a means of meeting different commission allowances paid by competing companies?"

"Do you believe that commissions should be a part of a company's method

of competing for business?"

"Do you believe in any system of control over commissions?"

"Do you believe that any system of control of commissions must be equally fair and reasonable to all agents and brokers and companies and the insuring public?"

Methods of Control

"Which of these four methods of commission control do you favor:

"A—The so-called free enterprise system whereby each company and each agent are free to contract to the best of their ability, in regard to the matter of commissions; or

"B—A commission control through medium of allowances made in the rates; or

"C—The acquisition cost conference method; or

"D—The method of having some government agency or agencies control the commission; or

"E—Some other or different method that may borrow features or elements from the other methods?"

"Do you believe in inserting into the insurance business, the idea of collective bargaining?"

"Do you believe that when competing companies move in concert through so-called acquisition cost conferences, that those companies so moving in concert, practice unilaterally one of the elements of collective bargaining upon you as agents?"

"Do you believe that it is impossible for the companies which might wish to form acquisition cost conferences to consult with each agent before the companies made rules governing acquisition cost in their conferences?"

"Do you believe that the companies which must move through the medium of committees should, in the best interests of all concerned, consult with duly authorized committees from agency associations and consult before governing rules are adopted by the companies?"

"Do you distinguish in your mind between action taken as the result of collective bargaining and action taken as the result of cooperative consultation between all parties concerned?"

"Finally, do you believe when the relationship of agency is created between you and your companies, there immediately springs into being obligations and rights in each party to that relationship?"

Agents Urged to Appraise Selves in Present Economy

(CONTINUED FROM PAGE 4)

leges and universities to further develop practical insurance education.

Agents are shouldering too high a percentage of the public relations of the industry, Mr. Bowen declared.

The difference between the stock fire and casualty companies and direct writing companies lies almost entirely in the local agency system. If the companies realize the value of the local agent, Mr. Bowen said they should advertise those values to the public, featuring the local agent repeatedly. This type of advertising will tend to influence the thinking of business men away from the direct-writing companies and toward the stock groups without an extra dollar of expense to the companies.

BOB DAN THE ANCHOR-MAN

"Anchor's The Way M'Boys—Anchor's The Way"



Anchor cuts through the red tape when it comes to writing up one of their short order forms on a bond



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Man bites dog may make news but dog biting man makes a lawsuit so be sure you're covered under an Anchor Comprehensive Liability Policy

ANCHOR CASUALTY COMPANY

SAINT PAUL & MINNEAPOLIS



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North America Capital Is to Be \$18 Million

Directors of North America have called a special meeting of stockholders for Nov. 25 to act upon recommendations of the board that the authorized capital stock of the company be increased from \$15 million to \$30 million.

If stockholders approve the increase the directors will declare a stock dividend equal to one share of the increased capital stock for each five shares held, bringing the outstanding capital to \$18 million.

President John A. Diemand explained that the stockholders will be asked to approve an employee stock subscription plan under which employees having two years of service with North America or any of its affiliated companies will be given the right to purchase North America stock at not lower than 20% below the market price, in an amount equal to 20% of their annual salaries with a maximum purchase of 50 shares in any one year. Employees who elect to purchase stock under the plan, however, will not share in the proposed stock dividend. The number of eligible employees would be approximately 3,250, including officers of the company of whom three are directors.

"In reaching its decision to recommend an increase in the authorized capital stock," Mr. Diemand said in a letter to stockholders, "the board was influenced by the fact that while the stockholders during the past 20 years have increased the paid in surplus by some \$17,960,000 through subscription to additional stock at prices in excess of par, the present maximum capital authorized by the stockholders in 1930 is only \$15 million. The board therefore concluded that it is prudent to provide for increases in capital stock needed in the foreseeable future."

The 1,500,000 shares of North America's \$15 million capital stock were held in 13,861 accounts at the close of 1948, the average holdings of some 11,000 individual stockholders being 70 shares. Assets of North America and its affiliates using market values of securities, totaled \$346,358,585 at June 30.

Home State Pays Tribute to Stott

A heartfelt tribute was paid John C. Stott, retiring president, by the New York delegation at a dinner. The occasion was to welcome back home the boy from Norwich, N. Y., who since his election as president of the New York association six years ago, hasn't been home very much. Roy Duffus of Rochester, New York president, acted as toastmaster. R. M. L. Carson, Glens Falls, presented Mr. Stott with a beautiful suitably engraved watch, gift of the New York association. Mr. Stott responded feelingly. Al Deisseroth of Syracuse presented Mrs. Stott with a handsome handbag, on behalf of the New York state group.

Mr. Duffus introduced Fred W. Doremus, manager Eastern Underwriters Assn., Forest H. Witmeyer, president of Excelsior, Follett L. Greeno, Rochester; Mrs. Carson, Mrs. Duffus, and Mr. and Mrs. Jay Rose, Buffalo.

Joseph A. Neumann, Jamaica, L. I., vice-president of the association, paid a notable tribute to Mr. Stott. A. C. Wallace, Goshen; N.A.I.A. Counsel W. H. Bennett, and C. P. Butler, N.A.I.A. executive vice-president, spoke. About 75 attended.

Olsen Ill. Golf Winner

M. B. Olsen, Northwestern National, took top honors in the Illinois Blue Goose golf tournament finals last week at Champaign. The match was held in conjunction with the annual party of the Champaign-Urbana agents, and is a highlight of agent festivities in the fall. About 175 agents and field men were on hand.

Second place in golf went to Jack Irish, Excelsior, and O. H. Sturgeon, Pearl, was third. Prizes will be awarded at the mid-year meeting of Blue Goose at Peoria in January.

Rickards Retires From N.A.U.A. Post

E. L. Rickards is retiring Oct. 1 as manager of the western branch at Chicago of National Automobile Underwriters Assn. He has a home at Glendale, Cal., near his daughter and son-in-law and that will be his new base.

Mr. Rickards became manager of the old Western Automobile Underwriters Conference 32 years ago and then became head of the western branch when the organization was nationalized. He started in the insurance business in 1905 in a local agency operated by his father-in-law at Deadwood City, S. D. In 1910 he went to Chicago to become field man for Sovereign Fire of Canada. His next connection was with Jefferson Fire of Philadelphia and then he traveled the middlewest for Nord Deutsche. His next move was to the automobile rating organization.



E. L. Rickards

To Reorganize Committees

The national board of state directors voted to empower the new N.A.I.A. administration to streamline association standing committees by reducing the number from 21 with 198 members to 10 with 100 members. There will be no reduction in desired committee services.

A committee of three is being appointed to study the idea and work with the executive committee to put it into effect. A study of the committees as presently constituted with suggestions for reorganization has been made at headquarters, under R. E. Farrer, director of education. The suggestion on that study is that there be technical committees on property insurance, casualty, fidelity and surety, agency management (a new one) and education; conservation committees on fire safety and accident prevention, and miscellaneous committees on finance, membership and legislation.

Blanchfield Claim Association Head

BOLTON LANDING, N.Y.—Officers elected by International Claim Assn. at its annual meeting here are: President, John A. Blanchfield, Aetna Life; vice-president, L. L. Phelps, Great Northern Life; chairman executive committee, John W. Ayer, New England Mutual Life; members executive committee, W. N. Hutchison, New York Life; Francis X. Reilly, Guardian Life; W. Keith Kropp, Provident Life & Accident; Douglas Blease, Connecticut Mutual Life. Louis L. Graham, Business Men's Assurance secretary, and F. L. Templeman, Maryland Casualty, treasurer, both were reelected. Attendance set a new record.

Superintendent Dineen was unable to attend. Julius Sackman, chief of the life bureau of the New York department substituted and delivered a talk on "Settlements and Supervision," outlining what the insurance department checks in a claim department when it examines a company and the department's position regarding certain types

of claim settlements. It was highly acclaimed. Mr. Sackman was accompanied by W. F. Martineau, former deputy superintendent, now vice-president of Companion Life.

Virginians Welcome Senator Byrd

U. S. Senator H. F. Byrd of Virginia, speaker at the first convention session of National Assn. of Insurance Agents, was greeted by the Virginia insurance men present on his arrival in Chicago Thursday morning. The delegation escorted him to the Stevens hotel, where a special breakfast party was attended by about 30, under the sponsorship of F. E. Kinzer, Covington, president Virginia Assn. of Insurance Agents. N.A.I.A. officers and executive committee members were present. Sen. Byrd was scheduled to fly back to Washington Thursday afternoon.

F. L. Ludington, western department manager, was in charge of Atlas headquarters, along with H. A. Nelson, assistant manager at the N.A.I.A. meeting.

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DO YOU BELIEVE
That Bats
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No, Bats are not blind,
they are the only purely
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IT IS A TRUTH, HOWEVER . . .

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All these facts add up to the reason why "the trend is to Hawkeye-Security-Industrial."

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Name Speakers for Ohio Agents Assn. Convention

The principal speaker of the farm writing panel at the Ohio Assn. of Insurance Agents convention in Dayton Oct. 17-18 will be Rush Carter, assistant manager of the western division of Aetna, Chicago. Karl D. Dakin, Lebanon, chairman of the farm agents' committee, will preside.

Other speakers will be Superintendent Robinson of Ohio and Charles P. Butler, executive vice-president of the National Assn. of Insurance Agents.

At the afternoon session there will be a panel on legal liability. William Robbins, Toledo, and Allen C. Guy, regional manager of Western Adjustment, Columbus, will be the speakers. Later a sales congress will be held under the direction of William E. Shaw, Fidelity & Deposit, Cincinnati.

In the evening a fire prevention program will be staged. Taking part will be William Fenner, Dayton, a safety clown, and R. B. Kufis, chief of the Dayton fire department.

The next day's session will open with a breakfast for local board secretaries, to be followed by an executive session of the association.

Opening the afternoon session will be a conference on local board problems. Later automobile insurance will be discussed by Ray Miller, Columbus, secretary of the Ohio motor vehicle assigned risk plan, and J. Charles Bishop, LeRoy, assistant secretary of Ohio Farmers.

Participating in the legislative panel will be Hugh K. Dawson, Cleveland;

J. Frank McClure, Loudonville; Ralph Humphrey, Ashtabula; John F. Cantwell, Youngstown, and Arthur M. O'Connell, Cincinnati. Messrs. McClure, Humphrey and Cantwell are members of the Ohio house of representatives.

H. S. Boynton, Toledo, a past president of the association, will preside at the banquet on Tuesday evening.

Wis. Boards Hear Norton

Norman C. Norton, superintendent of audits of Wisconsin Fire Insurance Rating Bureau, spoke at a meeting of Walworth County Board of Insurance Underwriters at Lake Geneva, explaining functions of the bureau that are of particular interest and concern to local agents and agency operations.

Mr. Norton also addressed the September dinner-meeting of Green County Insurance Assn. at Brodhead, Wis.

Defeat State Fund Proposal

Convincing arguments against state fire fund insurance advanced by local agents and field men before the city council of Whitewater, Wis., resulted in retaining the city's business for the local agents. The Whitewater Insurance Underwriters have handled the fire insurance program since 1944 through their local agents. State fund coverage had been proposed. Prior to the council meeting, every local agent contacted the aldermen on the advisability of continuing the program through local agents. Appearing at the council meeting to speak were Clarence Peck, president of the local board; Wil-

liam Berry, state agent Continental; Harvey J. Girard, state agent Providence Washington, and Urban Krier, executive secretary Wisconsin Assn. of Insurance Agents. The latter three are from Milwaukee. Superior service by private insurance and the socialistic aspect of state fund competition with public business were principal arguments in retaining the business for the local board and its member-agents.

Sioux Falls Agents Elect

Newly elected officers of the Sioux Falls (S.D.) Assn. of Insurance Agents are Gerry Ahern, Ahern agency, president; W. W. Burt, McKinney & Allen, vice-president, and Robert Gallagher, McKinney & Allen, secretary.

Big Hammond Roundup

About 200 took part in the annual round-up and entertainment of Hammond, Ind., Insurance Agents Assn. at Woodmar Country Club. The agents present included those in the entire northern Indiana metropolitan area. There was a luncheon, golf in the afternoon and dinner.

Range Association Elects

VIRGINIA, MINN.—C. A. Bardesono of Hibbing was elected president of Range Assn. of Insurance Underwriters at the annual meeting here. Donald Kirkpatrick of the Arthur L. Egge agency, Hibbing, was elected secretary. Orville T. Hegland, Virginia; John Dragavon, Tower, and Stanley Nasland, International Falls, were chosen on the executive committee.

Wayne Thompson at Omaha

OMAHA—A program to make insurance men personnel "consultants to the public" was outlined by Wayne Thompson, assistant dean of American Institute for Property & Liability Underwriters, at a meeting here of Omaha Insurers. He also addressed a public meeting that included University of Omaha students.

Clemmons V.-P. of Mich. Agency

The Michigan Investment Agency, Detroit, has elected William A. Clemmons vice-president. For 12 years he was with Brown, Crosby & Co., New York agency. After war service he served as superintendent of the bond department of Continental Casualty for Michigan.

SOUTH

New Richmond City Setup

A new blanket fire insurance policy to cover 268 pieces of city property for a total of \$10,256,210 has been worked out to replace about 250 separate policies. The three-year premium is \$38,918.

The policy was worked out with an insurance committee made up of Fergus A. Goodridge, chairman; Warren F. Curtis, L. J. Duggan and H. Linwood Ford. Eighty-two local agents are sharing coverage and premiums.

Roanoke Agents Elect

J. Barclay Andrews has been elected president of Roanoke (Va.) Assn. of Insurance Agents. Frank Martin was elected vice-president and James W. Ireland secretary.

Open New Agency at Miami

A new agency has been organized at Miami by E. Grady Powell and M. E. Reynolds, formerly vice-presidents of Sertel-Reducka agency there.

Mr. Powell has been in the insurance

business for 21 years, eight of those being with Florida Inspection Bureau.

Mr. Reynolds has been in insurance since 1925.

Driver Education Urged

KNOXVILLE, TENN.—T. K. Robinson, Memphis, chairman of the accident prevention committee of N.A.I.A., addressed an insurance seminar conducted by University of Tennessee in cooperation with Tennessee Assn. of Insurance Agents. Insisting in passing that "women are neither better nor worse drivers than men," Mr. Robinson pleaded for driver education in the schools.

Lester Member of Firm

R. S. Lester, formerly in charge of the Houston office of H. L. Davis & Son, general agents, has become junior partner in the firm and has moved to San Antonio. He started as a local agent in 1924, later serving as Houston office manager for a general agency, and joining Davis and Son in 1945. H. L. Davis and H. L. Davis, Jr., will continue active in the general agency.

Audrey Jean Schulze, president of Insurance Women of San Antonio, was married to D. J. Sullivan, III, of D. Sullivan & Co. agency, San Antonio.

WANT ADS

WANTED

Experienced Boiler and Machinery Underwriter, with production background, for Home Office position with eastern company having a large volume of these lines. In reply, state age, experience, salary expected. Address V-82, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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WANTED

Branch Manager or Special Representative position in middle west. Now employed, 14 years experience in Casualty and Surety Lines. Best of References. Address V-85, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

POSITION AVAILABLE

Pacific Northwest casualty company. Individual experienced in personnel work, office management and insurance procedure. Age 28 to 34. Salary \$300 to \$350 per month. Address V-86, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER

Detroit Casualty Company requires experienced Casualty Underwriter. Excellent opportunity with a future. Address V-87, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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CHICAGO

PACIFIC COAST AND MOUNTAIN

Oakland Agents Elect G. O. Johnson President

George O. Johnson of Schroeter, White & Johnson has been elected president of Oakland Assn. of Insurance Agents, succeeding Newman Com-

fort. Four other members of the firm in its 80 years have been presidents of the association. Four members have been presidents of California Assn. of Insurance Agents: I. H. Clay, founder of the firm and the state association; the late Laurence Hotchkiss, Harry R. Schroeter, Sr., and Elmer White, the latter still active.

G. Howard Robinson was elected secretary-treasurer and Ron Galloway, George Crist and Ted Conklin were elected to the executive committee. Mr. Schroeter, Sr., installed the new president.

The election was followed by the association's first dinner dance.

The association, which has recently started the beginners course developed by the National Assn. of Insurance Agents, will start the N.A.I.A.'s standard course on inland marine, October 4.

Robert E. Cathcart, Commercial Union, who is now instructor for the courses in inland marine conducted by the Fire Underwriters Assn. of the Pacific and Golden Gate College, will instruct the Oakland classes. The course covers 5 weeks and will be presented in the Oakland headquarters of the University of California extension division.

Important Issues Before Cal. Brokers Exchange

SAN FRANCISCO—Officers, executive committee and members of the board of governors of Insurance Brokers Exchange of California will hold a significant special meeting over the next week-end to consider the "many problems confronting the insurance brokers and to study internal organization."

Attending from Los Angeles to outline conditions facing the members in that area, will be Vincent Nuccio, chairman of the Los Angeles district committee, accompanied by A. N. Dulley and Frank J. Ryan.

Major items on the agenda include new legislation, budget, Associated Insurance Producers of California—an organization of delegates from all agents and brokers' organizations interested primarily in legislation—and company relations, plus the situation in the Los Angeles district.

Walter P. Simi, chairman of the legislative committee, will report on new legislation enacted and future plans for new legislation or changes in present laws.

One of the subjects to be considered will be a higher budget owing to increased activities of the exchange. Walter P. Sharpe of San Francisco, president, will conduct the meeting.

Schedule Wash. Conference

The Washington advisory committee will hold its fall meeting at Seattle Oct. 4-5. R. H. Griffith, Glens Falls, is chairman. Conferences will be held with the contact committee of the Washington Assn. of Insurance Agents and representatives of Washington Fire Underwriters Assn. and Inland Empire Fire Underwriters Assn.

In addition to Mr. Griffith, members of the committee are: L. S. Gregory, Fireman's Fund, vice-chairman; R. L. Countryman, Norwich Union; H. Clyde Edmundson, America Fore; Herbert Ryan, Great American; John P. Breeden, Corroon & Reynolds; Evert Lamping and Arthur W. Whalley, Seattle general agents.

Norman S. Walker, Longview, is the new chairman of the contact committee

of the Washington agents, succeeding R. J. Martin of Spokane. A new addition to the agents' committee is H. S. Wetherald, Wenatchee. Hold-overs are L. M. Latta, Yakima; A. J. Roberts, Walla Walla, and R. C. Jenner, Seattle.

Bogert Heads Legion Post

SAN FRANCISCO—David C. Bogert of the insurance law firm of Long & Levit was installed as commander of Insurance Post 404 of American Legion. W. L. Hall, Johnson & Higgins, is first vice-commander; L. A. Loustau, broker, second vice-commander; Claude Hubbard, National Automobile Underwriters Assn., finance officer; William Dunn, judge advocate; Roland Kurtz, broker, chaplain; Fred Lunth, Fireman's Fund, sergeant-at-arms; Eric Falconer, attorney, historian; Jay Wright, independent adjuster, service officer and J. R. Martindale, Equitable Society, adjutant.

Sig Arndt of Finn, Smith & Medcraft arranged and conducted the entertainment.

Open Auto, Aviation Class

LOS ANGELES—Insurance Assn. of Los Angeles will open an automobile and aviation class Sept. 19. William Roskam, local agent, and Harris Goodrich of U.S.A.I.G. will lecture.

Stealey Cal. License Chief

Commissioner Downey has named Talt E. Stealey chief of the license department of the California department. He has been manager of the San Francisco office of the department for some time, and formerly was with the Los Angeles office in the investigation department.

New Oregon Steering Group

The new executive committee of Oregon Assn. of Insurance Agents as announced by C. H. Huggins, Salem, chairman, includes Leonard Adams, Beaverton; Gordon Dunlap, Baker; J. M. Sandmeyer, Klamath Falls; Phil Gould, Bend; M. M. Landon, Sweet Home; Keith Rhodes, Lebanon; and H. B. Larson, Marshall Brown, H. H. Hollister, J. A. Arnold and Robert Downey, Portland.

Checks to Exam Leaders

SAN FRANCISCO—E. N. Caulfield, Phoenix-Connecticut, was presented a check for \$50 by James F. Crafts, president of Fireman's Fund, for his grade of 94% in inland marine in the examinations of Insurance Institute of America.

Others who received checks for \$25 for high grades are: Adrian Van Herwynen, Fireman's Fund, 91 3/4% in fire III; Millen Griffith Jr., Louis Rosenthal agency, 89% in principles of insurance; Helen C. Main, Seeley & Co., 87 3/4% in casualty II; Walter E. Winebrenner, first in ocean marine 2 and 3 courses with 84% and 92% respectively, and John S. Mead, Phoenix Assurance, with 90% in inland marine.

C.P.C.U. Courses Scheduled

John F. Emerson, who is in charge of the experience rating department of Hartford Accident, will be the instructor for C.P.C.U. courses beginning Oct. 11 for those in the San Francisco Bay area and northern California. The courses will be held at the San Francisco extension division of the University of California.

Yakima Agents Elect

Yakima County (Wash.) Insurance Assn. has elected Charles H. Westaby of Jerome Lewis & Co. as president, succeeding Stan Lebens, who is now on the executive committee of the state association.

Phil M. Philips of Cody, Philips &

Co. is the new vice-president, and Ivy C. Clark, Liberty Investment Co., secretary.

Mackenzie Oregon Manager

G. S. Mackenzie, formerly special agent at Seattle for Great American Indemnity, has been appointed manager in Oregon for the C. B. DeMille General Agency of Seattle. He succeeds Howard Dahn, resigned. Before going with Great American he was for three years with the Harvey Wells-Reed agency at Portland.

On Multiple Line Basis

All branch offices of Pacific Employers in California have now been reorganized on a multiple line basis, writing all casualty, surety, fire and inland marine lines. The branches are located in San Francisco, Los Angeles, San Diego, Pasadena, Long Beach, Fresno, Oakland and Sacramento.

Plan Accounting Course

A course in accounting for C.P.C.U. candidates has been arranged by King County Insurance Assn. An organizational meeting of the class has been scheduled for Sept. 26 at Seattle.

Opens Branch at Douglas, Ariz.

General Adjustment Bureau has opened a branch at Douglas, Ariz., in charge of Elmo B. Cooley. He had been with G.A.B. at Tucson and before that was with Travelers.

The Insurance Women of Austin, Tex., discussed plans for a Halloween party, received an invitation from Insurance Women of Little Rock to attend the March convention of region 6, and elected as delegates to the Galveston convention of Texas Federation of Insurance Women, Nellie Sorenson, president, and Jessie Ragsdale, past president.

Mrs. Dixon V. Herring will take over the management of the Herring local agency at Tallahassee, Fla., following the death of Mr. Herring.

EAST

Butler Addresses Women

David S. Butler of the Lee Paull agency, former West Virginia commissioner, spoke before Wheeling Assn. of Insurance Women on trends in the insurance business. He told of the importance of women to insurance as executives, agents and policyholders.

Clauss Buffalo President

Emil T. Clauss has been elected president of Buffalo Assn. of Fire Underwriters. Vice-president is William A. Boettger; secretary, John N. Walsh, Jr., and treasurer, Joseph J. Ruh.

Vigue Presents Award

David L. Vigue, president of Bay State Club, presented on behalf of National Board an honorable mention fire prevention award to Alexander T. Skakle, publisher of "News Tribune" of Waltham, Mass. This was the only New England paper to receive an award on this program. The paper was recognized because of its fire prevention editorials.

Middlesex Agents Elect

PERTH AMBOY, N. J.—Middlesex County Assn. has elected these officers: President, Alex Kosene; vice-president, Edward Keller; secretary, V. T. Brown. The next meeting will be held at Metuchen, N. J., Oct. 14. The association is sponsoring a fire prevention essay contest among 8th grade students in the schools.

Rate Talk Before Firemen

Factors behind fire insurance rates were discussed at the annual Virginia state fire school at Roanoke by L. O. Freeman, Jr., manager of the Virginia Insurance Rating Bureau.



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N.A.I.A. Vigorously Tackles Issues

Takes Stand vs. Installment Paying of Term Premiums

N.A.I.A. Votes Statement Calling for Abolishment of Plans

By KENNETH O. FORCE

Whether N.A.I.A. should take a stand against plans for installment payment of term fire business provided a dramatic issue for the national board of state directors Monday night. A statement condemning such plans and



R. G. Osgood



C. P. Butler

calling on commissioners to reconsider approved plans and disapprove any new filings was adopted by a roll call vote of 32 to 14 (three passed).

The decision was reached only after lengthy debate, with numerous appearances on both sides, and a final stirring challenge to agents to give the matter the most serious consideration, from Charles P. Butler, executive vice-president of N.A.I.A.

Butler's Exhortation Persuasive

The lines may have been pretty well drawn, pro and con, before the debate, but state directors had a chance to avoid any commitment by voting for a motion to table the statement. There was considerable argument from the floor that the topic was hot and directors should give the subject more reflection. Mr. Butler's persuasive summation of the most serious aspects of the problem may well have turned the tide of sentiment toward an immediate and considered decision. The roll call vote on the motion to table was 34 no, 13 yes, and two passes.

Interest in the subject was high, and there was a full attendance of directors. In addition, a great many agents and company men were on the sidelines to hear the arguments and learn the outcome. Two company men appeared on the platform, an unusual event—J. R. Barry, president of Corroon & Reynolds, opponent of installment plans, and R. G. Osgood, vice-president of North America, proponent.

Just what practical effect adoption of the statement will have is pretty hard to tell, particularly in areas like the southeast where installment plans are well established. However, there was a notable disposition on the part of companies to hear an expression from agents on the subject. The N.A.I.A. action may at least exert real influence in slowing down the spread of installment plans.

The statement, read by John H. Carney, Eau Claire, Wis., is in substance as follows:

N.A.I.A. has carefully considered such
(CONTINUED ON PAGE 34)

Postpone Action on the Commission Question

No positive action on the explosive question of negotiating commissions, acquisition cost factors in rates or anything else touching on the commission situation appeared in sight as the meeting of National Assn. of Insurance Agent at Chicago this week neared its close. After some sharp debate and a certain amount of parliamentary maneuvering following the exhaustive report of Executive Vice-president C. P. Butler of New York, the national board of state directors voted to appoint a committee to study the question and report back. The motion conferred no authority to negotiate or even to "discuss"—as the proposals worded the matter—any phase of this problem with insurance interests outside N.A.I.A.

The action in effect represented a victory for C. I. Fisher, Providence, state national director for Rhode Island, despite the defeat of a motion he offered. Once more, observers remarked, Mr. Fisher lost a skirmish and won a battle.

Says Mandate Not Followed

After Mr. Butler delivered his review, which is reported elsewhere in this number of THE NATIONAL UNDERWRITER, President J. C. Stott, Norwich, N. Y., called for discussion, particularly on Mr. Butler's proposal that a committee be appointed with authority to discuss acquisition cost factors with authorized insurance company representatives and report back to N.A.I.A. Mr. Fisher pointed out that the board at San Francisco last spring directed that a committee be appointed to study the commission situation and that it was to include representatives of both sides of the question. This was not done, Mr. Fisher said, although he called it to the attention of the executive committee at the New York meeting this summer. He also asked that the minutes of this meeting be corrected to indicate that he did not hope for final action at the Chicago meeting. He said he is in favor of studying the matter, but does not think N.A.I.A. should rush into action without airing and considering every angle of the question. He praised Mr. But-

ler's report for its content, but claimed that it did not fulfill the San Francisco mandate.

Mr. Fisher said the term "discuss with companies" is harmless on its face, but he and other agents have had experience which shows what that can mean. For example, he said, when the Rhode Island agents were fighting the commissioners—all industry rate bills, they were frequently confronted with claims that N.A.I.A. had endorsed them, when in fact all that happened was that agents representatives had been members of the committee and had not actively opposed them. He also said that any person in or out of the organization was invited to the Rhode Island meeting in October to debate the commission matter, so that the Rhode Island agents might not be unduly influenced by his own views. He then moved that the committee voted at San Francisco be appointed.

Stott Defends Administration

President Stott explained that the Pennsylvania deviating situation, with a commission war threatened, was so upsetting that there was no chance for a committee to function and that Mr. Butler had had no chance to do anything but work on his survey. Quoting from Mr. Butler's paper, Mr. Stott said emphatically that there was no intent that the proposed committee should commit the agents to anything. He vigorously denied that he or any other executive officer had tried to assume undue power or to ignore any directions of the board.

Robert Maxwell, Texarkana, Ark., said that many agents have thought of fire insurance commissions and have ignored the casualty aspects. Also, he said, N.A.I.A. is not the only organization representing producers interests in these matters. National Assn. of Casualty & Surety Agents, National Assn. of Surety Bond Producers and National Assn. of Insurance Brokers, all representing special elements in the field, have not been handicapped by the restraints imposed on N.A.I.A. representation.
(CONTINUED ON PAGE 38)

Shaw Johnson Moves to Top Position at Chicago

Melvin J. Miller Is Victor for "On Deck" Spot On Ninth Ballot

By JAMES C. O'CONNOR

With over 1,700 registered, National Assn. of Insurance Agents is staging a crowded meeting at Chicago this week, representing a well-balanced combination of enjoyment, enthusiasm and attention to important insurance prob-

NEW OFFICERS ELECTED

President—O. Shaw Johnson, Clarksdale, Miss.

Vice-president—Melvin J. Miller, Fort Worth.

Elective members of executive committee—Kenneth L. Nehring, Tucson, Ariz., and Dana J. Lowd, Northampton, Mass.

Mr. Miller was elected vice-president on the ninth ballot Wednesday afternoon during a two-hour and 35-minute election session by a vote of 25 to 23 for Walter M. Sheldon. J. F. Van Vechten was third in the eighth ballot which was to eliminate one contestant. Up until then Mr. Sheldon and Mr. Van Vechten see-sawed for the lead.

lems. With the meeting scheduled to close at noon today following speeches by U. S. Senator H. F. Byrd of Mississippi and J. E. Wiley, New York, chairman Fuller & Smith & Ross, the major events included a denunciation of installment term premium plans for fire insurance, spiced by a minority report—a rare event in N.A.I.A. annuals—postponement of decisive action on whether acquisition cost factors should be negotiated with companies and adoption of a new dues allocation formula which appeared to be more satisfactory to members generally and state association officers in particular than any preceding ones.

O. Shaw Johnson, Clarksdale, Miss., was raised to the presidency Wednesday afternoon as a matter of course, succeeding John C. Stott, Norwich, N. Y., who goes down in history as one of the most energetic and popular leaders in the 53 years of N.A.I.A. Mr. Stott is believed to have set a new record for mileage traveled and state associations visited during his two years as president and vice-president and it is doubtful if this record will be eclipsed for many years to come. Not the least of Mr. Stott's accomplishments were the reorganization of the association's executive offices at New York and Washington, an economy program which put N.A.I.A. in the black for the first time in several years and the engaging of Charles P. Butler as executive vice-president, a choice which gave every indication of being both popular and profitable.

Also Acted As Secretary

Mr. Stott also retires with the distinction of having been both president and secretary for a short time. He acted in the latter capacity in New York for about a month, in the interim between the resignation of Frank C. Colridge, who left the secretary's post to become manager of Pacific Board, and the assumption by Mr. Butler of the
(CONTINUED ON PAGE 38)

Charles Butler and Old and New Chiefs



Charles P. Butler, executive vice-president, flanked by outgoing president, John C. Stott, Norwich, N. Y., left, and O. Shaw Johnson, Clarksdale, Miss., incoming president.

6-Base Allocation Formula Eliminates Volume Test

The N.A.I.A. long has sought a formula for allocating the expense of operating the National association to the state associations. An interesting one that impressed many agents was recommended by the allocation formula committee, composed of Carleton I. Fisher, Providence, chairman, and Charles H. Frankenbach, Westfield, N. J., and T. Champe Fitzhugh, Waco, Tex., aided by George du R. Fairleigh and George Moore of the headquarters staff.

The formula is as follows:

1. Divide the total white population of the U. S. by the total average membership of N.A.I.A. during the previous fiscal year (average as of the 15th of each month). The result is the average white population per member agent in the country and is used as a membership

ship of N.A.I.A. as determined in 1 above, into the total amount of the fund to be raised by allocations, in order to balance the budget for the next fiscal year, to determine the average dues per member needed by the N.A.I.A.

5. Compute a credit or debit against said average dues needed. Such credit to be, for the state associations developed better than the standard, the difference between 100% and the percentage of development as determined in 3, subject to a maximum credit of 25%. Such debit to be, for the state associations developed less than the standard, the difference between 100% and the percentage of development as determined in 3, subject to a maximum debit of 25%.

Dues Times Membership

6. Compute the amount per member to be allocated to each state association by multiplying the average dues needed as computed in 5 by the average membership in such state association to determine basic allocation amount.

7. Compare total sum derived from application of this formula as compared to the total amount to be allocated in order to balance the budget. If the total sum so computed is inadequate, compute the percentage of inadequacy and add an adjustment factor to the sum required of each state; if more than required deduct a similar adjustment factor.

With the state associations each autonomous and each judge of its own membership standards, operating differently under entirely different constitutions and by-laws, it has long been a serious problem as to how the expense of operating the national association should fairly and equitably be allocated to the state associations.

The new formula does away with the premium volume measurement, with which there has been considerable dissatisfaction.

Until 1932-33 each state association paid to the national 60c per month for each member agent on its rolls, \$7.20 annually. As members increased this

was reduced to 50c per month until in 1937 a new formula was adopted which endeavored to recognize the need for encouraging membership development by the state associations. It was designed to produce a diminishing cost as the membership in a given state increased.

Public Relations Fund

After the left-over from the public relations fund of \$350,000 was used up the future finance committee recommended that the funds needed to replace the public relations fund be sought from the larger agencies on the basis of their capacity to pay and their greater stake in protecting their business. This was to be done by the quota committee and it brought forth a formula. Still another committee was appointed to find a single permanent allocation formula, obligatory on the state associations, beginning with 1948-49. This amounted to simply a combination of the old membership allocation formula, brought up to date, and the metropolitan area system of fixing the additional sums needed to balance the budget, effective Sept. 1, 1948.

However, the sums demanded of some associations where the largest metropolitan areas are located have been so great as to impose severe burdens on them and some have found it practically impossible to raise the required money. Reports from throughout the country lead this committee to believe that the metropolitan area theory has been proved fallacious in that the large agents have not paid the bill and show no indication or willingness to do so. The association is still being financed and will continue to be by the small average Mr. Agent. The Fisher committee therefore recommended complete abandonment of that part of the present formula based on metropolitan area population.

PRINCIPLES

The committee early decided on the principle of a formula that could be applied fairly to everyone with no special concessions to anyone. The moment a special situation in some locality be-



Leo Miller of Detroit, state agent for the Meserole companies, and Franklin J. Poquette, Chicago, western field manager for the same group.

comes the reason for making an exception to a general formula, dissatisfaction becomes general among all others who are prone to believe they too are entitled to special consideration. Hence, dropping entirely the criteria of premium volume would eliminate complaints registered by many associations that claim much of the business in their area is written by out-of-state brokers or non-member agents, brokers, branch office counters, etc.

For 1948-49 the amount needed from the membership to balance the national budget was \$247,583. For 1949-50 the anticipated expenditures have been sharply reduced so that the amount needed is \$206,100, a reduction of 17%. The 49 state associations collect about \$740,880 in dues from members.

Numerically most prevalent criticism of allocations was the general thought that the national association expects state associations to pay over a larger proportion of their income than they can afford to pay and still maintain strong state organizations. A number suggested that the national simply take a flat percentage of whatever the state association collected from its members in dues—20%; 25%, etc.

Using the reported dues income developed by the survey of \$740,880, \$206,100 represents 27.8%. The amount requested last year was 33.4%. However, many state associations have increased their membership in the interim and it is expected many will continue to do so. Also, numerous state associations increased their dues scales but did not obtain the full benefit last year. These two factors should serve to increase the total dues collected countrywide so that the sum of \$206,100 will represent only 25% or even less.

As to capacity to pay the national organization furnishes the same service and benefit to everyone. State association services vary. Some state associations have other income, such as from commissions on public business, hence do not charge as much in dues. State associations would hardly permit the national to dictate a uniform scale of dues on a state level. Some associations raise part of their money from dues and part from voluntary contributions, such as legislative funds, while others pay all expenses out of dues. Allocating on the basis of a flat percentage of dues income would encourage the special fund method of raising money on a state level so that the national association would not get any of that money. Other factors causing a variation in the percentage of dues collections paid to the national association are: Difference in compliance with self classification by agents for dues purposes; membership development bringing in many small agents at minimum dues (possibly dues scales may be too low in comparison to what is charged in other states); effect of the metropolitan area population system in populous states, which would largely be leveled off by the abandonment of that system of fixing quotas, and existence in a few states of "individual"

(CONTINUED ON PAGE 44)



C. H. Frankenbach



C. I. Fisher

standard for each state association (5195).

2. Divide 5195 into the white population of each state to fix a membership standard for each state association.

Relative Development

3. Divide the total average membership of each state association during the previous fiscal year (average as of the 15th of each month) by such membership standard to determine the relative membership development of each state association expressed as a percentage of potential development.

4. Divide the total average member-

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"That's where you're wrong, Tom. The way Aetna trains 'em, they get a whale of a head start. As a matter of fact, Foster's already producing a diversified volume, and though I probably shouldn't admit it, right now he knows more about the modern forms of insurance than I do. You know, Tom — lines like the 3-D, Valuable Papers, Accounts Receivable, the Public Official Blanket Bonds, and the Comprehensive Liability covers."

"But Ed, you and I know it takes lots more than book learning to make a good insurance man."



"Sure it does — and Aetna knows it too. That's why their Course is different. All the emphasis is on the practical application of insurance — there is nothing long-haired about it — it is right down-to-earth all along the line."

"That makes good sense, Ed. But if the Aetna Course makes such a ball of fire out of a fellow, pretty soon he'll check out on you and set up shop for himself."



"Not when you work it right, Tom. We older men can always offer a young fellow plenty of help from our personal experience. If Foster makes the kind of progress I think he will, I'll set things up so he can start getting an interest in the agency. That's going to mean a lot to him, and eventually if I want to slow down or retire, he will be in a position to take over."

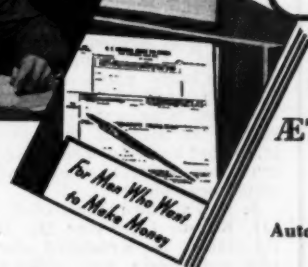
"Say, maybe you're not off the beam after all, Ed. It still seems to me there must be some catch, but I think I'll ask Aetna to send me all the facts."



"Now you're talking, Tom. When you've had a chance to go over all the angles, I know you're going to say that for men with agencies like ours, it's the smartest possible thing to do."



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- Over 3500 have been enrolled — more than ever attended any other resident course in general insurance instruction anywhere in the United States.
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- Since the end of the War, 1001 men have completed this Course.
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- Its graduates include men from 46 States and Hawaii.
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- The average age of men attending the Course is 29.7 years.

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Takes Stand Against Term Installments

(CONTINUED FROM PAGE 31)

plans, solely from the point of view of the best interests of the business. For many years term policies have been issued by fire insurers with the total premium paid and the usual and customary commission retained at the inception of the contract. Now it is being proposed to change this method by providing installment payments annually over the term. This movement is the result of a very few companies experimenting with the installment method as a competitive device. Many other companies, now fearful of adverse experience from this competition, seem about to follow.

Precipitates Numerous Problems

The premium installment payment plan on term fire insurance business precipitates the following problems:

Will multiply the expense element of both companies and agents.

Will, therefore, require rate increases to absorb such expense.

Will raise the important question of discrimination.

Will raise the serious question of illegality.

Will put in jeopardy the present term rule itself.

Installment payments and the term rule are diametrically opposed one to the other.

Will raise the serious and involved question of reserves.

The possible reserve requirements under installment payment plans will seriously impair the financial ability of small and medium-sized companies.

Will challenge the very vitality of an insurance agent by jeopardizing his ownership of expirations.

Will raise a question which again may reactivate the controversy over state supervision of insurance.

Will upset the orderly processes of the business without in anywise contributing to the public interest.

Disapproves Both Old and New

Therefore, N.A.I.A. disapproves such plans, both those now being used by some companies, and the new proposed methods contemplated by other companies.

N.A.I.A. calls on companies to withdraw present or contemplated installment payment plans. It calls on insurance commissioners to reconsider plans already approved and to disapprove any filings heretofore or hereafter made by any rating bureau or individual company. It calls on state and local units to oppose this competitive device as destructive of sound property insurance practice, as illegal discrimination and destructive of the public interest.

N.A.I.A. holds that the present term rule unimpaired can operate to the advantage of any purchaser of insurance. Where credit facilities are necessary, they are now available from banks, money-lending institutions and other private and business sources, without any destructive influence on the sound term rule practice in the insurance business.

Hundreds of Letters Written

Finally, N.A.I.A. directs this statement to the commissioners of the states, to the manager and governing committee of each fire insurance rating organization and to the officers of fire insurance company associations.

President John C. Stott introduced the session by commenting that North America had written hundreds of letters to agents. Most companies are opposed to installment plans, he said, and the Western Underwriters Assn. Monday expressed unanimous opposition. Counsel W. H. Bennett then presented his study and analysis, which fixed the main criticisms, legal and economic, of the installment idea.

It was at the request of C. S. Stubbs III, Kansas City, that Mr. Barry took the stand. He wondered where companies and agents were going to get the dollars to make up the difference in income the installment plan will make.

The big companies with huge reserves probably can survive, he said, but it will be a calamity to the business. Why write installment pay term business for five years only—why not perpetually? Also, why should companies pay the full commission to agents on payments after the first?

Rating laws say the rate has to be adequate, Mr. Barry continued. Under the installment plan they will have to go up—anywhere from 33 1/3 to 40%. He thinks that because there is no obligation on insured to renew, the carrying of premiums due under the installment plan as accounts receivable constitutes a false statement by the company. States will face a steady drop in taxes.

If the premium is past due a week when a loss occurs, what is the liability of the company under an installment plan? Mr. Barry asked. That is something for the courts to determine. The New York department in a study of the effects of the term rule has concluded that under the installment plan an agency could not stay in business, he said.

This is the agents' problem, Mr. Osgood said. The installment plan was devised by North America and introduced "at the request of agents." The company put it on a net cost basis because it felt it should continue to confine itself to the portion of the premium dollar it had been customary to do.

Corrects False Impression

He said he wanted to correct one false impression, that the statement spoke of experimenting with a competitive device. North America put the plan before the regional organizations and it was discussed—but not acted on—for months before the company proceeded with it independently.

North America will continue to use the plan as long as it proves a useful device to agents, he said.

If no company had written such a plan, opposition would be okay, Charles L. Gandy, Birmingham, Ala., past president of N.A.I.A., said, but in Alabama agents face a condition, not a theory. They have had it nearly 10 years. The companies that got the jump developed a remarkable volume of business. He said he had lost a lot of good business to companies with the installment plan. If the resolution dissuades Southeastern Underwriters Assn. companies from using it, where does that leave the Alabama agents?

Frank R. Bell Speaks

Everything else is sold on the installment plan, why not insurance, Frank R. Bell, Charleston, W. Va., past N.A.I.A. president, commented in asking that a representative of North America be heard.

Tennessee has 33 companies using an installment plan, Sam H. Chester, Chattanooga, said. Agents there don't want to lose business. Tennessee has a high dwelling rate, three to four times what it is in some other sections, the premiums are much larger, and agents have to meet the competition of installment sales.

H. H. Corson of Nashville asked that action be delayed for more mature consideration. The subject is a little too hot to handle in a hurry.

Harry Carter, chairman of the conference committee of the Georgia association, said that most of the opponents seemed to presuppose all business would be converted to the installment plan; actually only a small portion of the business is written on it.

Urges Consideration of Public

Fred F. Fox, Oklahoma City, asked agents to consider the public, for which the installment plan was designed. Forty companies have filed plans in Oklahoma, he said.

P. E. Jester of Des Moines said agents of that state need an installment plan; that it would have been a good device

(CONTINUED ON PAGE 38)

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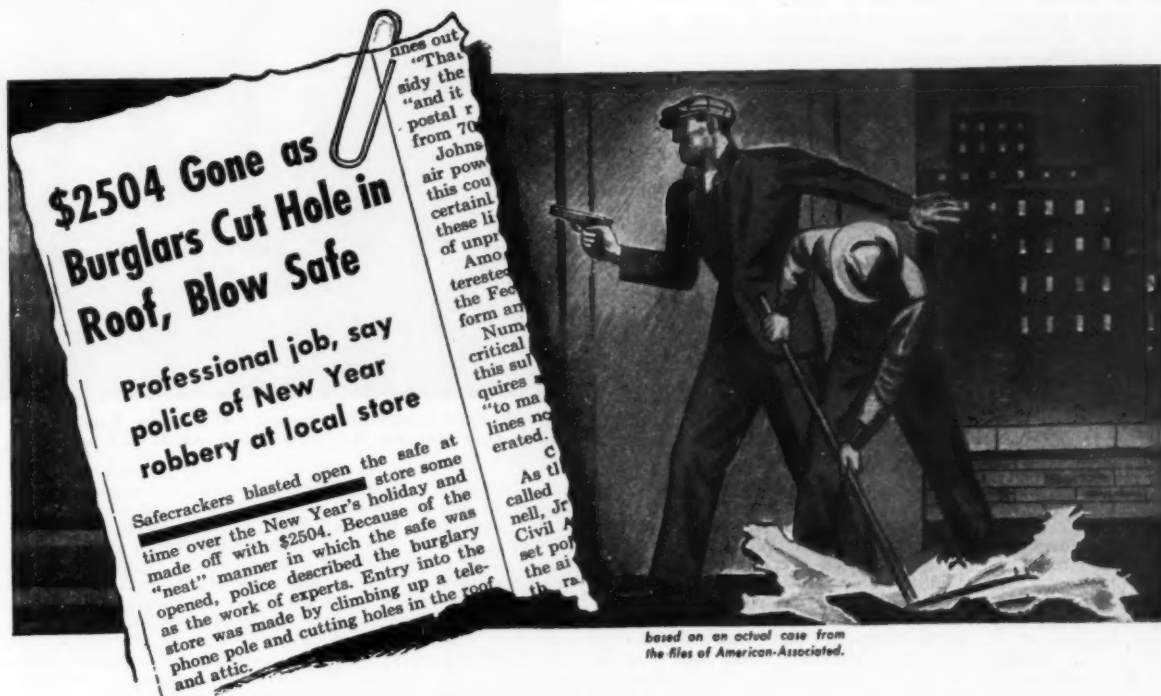
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Not only were coin, currency and checks missing from the safe; the safe itself was wrecked, the roof and attic needed repair and merchandise had been damaged by rain and snow getting into the store.

Fortunately, the store was completely covered by an American-Associated 3-D Policy.

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Complete Coverage for**

- 1. DISHONESTY**
- 2. DESTRUCTION**
- 3. DISAPPEARANCE**

Installment Plan Is Chief Topic at Eastern Meeting

The installment plan of paying term premiums occupied the eastern territorial conference more than other of several subjects on its agenda, but perhaps the most interesting thing to those attending was the fact that the committee to con-

premums by buyers were adequate and that all of the proposed plans and those in use by nonmember companies represented discrimination against the buyer using the single payment plan.

Neither agents nor companies favor the installment premium idea, Mr. White pointed out. It has only a competitive sales value, which, when met by competition, ceases to have value. The discriminatory features of the plans are plainly visible, and in following New York in approving the plans, insurance departments of other states may have failed to give the proposition sufficient study. The scheme may well be outlawed if proper pressure is applied through insurance departments or courts.

Western Underwriters Assn. considered the matter at its meeting and took no action; it will be considered further.

The question of proper company reserves, the effect upon calculation of loss ratios, reinsurance treaties and income disruption all are involved.

Compensating Agents on Service

Another topic informally discussed with E. U. A., Mr. White said, was the advisability and possible ultimate adoption of a scheme of compensating agents on the basis of services rendered by them. The subject was tabled because of the filings in Pennsylvania which constituted deviations from fire rates in use in excepted cities. The companies readily acknowledge the virtues of such a plan. The agents pointed to the various obvious differences in services rendered insured and company by agents.

One thing was made clear to the committee during the discussion, it is unlikely that aside from Illinois and Pennsylvania there will be further such deviation filings. This is because regulatory laws in other states do not provide the required opportunity for the filings. In Pennsylvania, the courts must be looked to to decide whether or not the provisions of the Pennsylvania laws



A. C. Wallace



M. V. V. White

fer with the Eastern Underwriters Assn. reported on its first meeting. A. C. Wallace, Goshen, N. Y., chairman, presided. Henry G. Dudley, Washington, is secretary.

The conference committee chairman is Morton V. V. White, Allentown, Pa., aided by H. Earl Munz, Paterson, N. J., and W. W. Hatfield, Bridgeport, Conn. The conference was held Sept. 7 in E. U. A. headquarters in New York City, with Donald Bowersock, Boston; A. L. Polley, Hartford Fire; J. K. Hooker, Automobile, and Fred W. Doremus, E. U. A., on hand for that organization. Chris D. Sheffe, London Assurance, did not attend.

Companies Oppose Plans

Installment, deferred and annual premium payment plans were discussed. E. U. A. companies have considered them on several occasions, but always concluded that they were neither necessary nor wise; that the result would be addition of unnecessary expense and work to company and agent alike; that existing facilities for the budgeting of



Frank Ennis, advertising manager of America Fore; E. A. Henne, vice-president and western manager, Mrs. Henne, and Col. C. J. Lingenfelder, assistant secretary at Chicago.

actually permit or even invite such use of the deviation section.

Every effort is being made by E. U. A. to cut down the number of cancelled policies being processed by producers and companies. On an average, cancelled policies represent about 10% of the total number of items received in a fire company home office. One company alone reports over 348,000 cancelled policies.

It is generally conceded that the "not wanted" policy represents too great a proportion of the total and that these items stem from the agency practice of automatically renewing in advance instead of soliciting renewals.

As a public relations effort on the part of E. U. A. the special agents field clubs are instructed to exert all possible influence on producers to confer with their customers about renewals and to use that opportunity to sell other forms of coverage.

Other activities of the E. U. A. Public

Relations Committee include the publication of some valuable booklets, fire prevention work through town inspections, etc.

In cooperation with rating organizations and after many discussions between E. U. A. and those organizations, efforts are being made, evidence of which may already be felt in some of the states, to bring the rating organizations, companies and producers closer together.

Additional projects include a booklet for architects and construction engineers explaining services available through rating organizations and dealing with building and fire prevention codes and a manual for fire department inspectors pointing out common and special hazards.

The agents' committee was given a preview of the proposed revised standard fire policy format. It may soon be generally authorized for use. It is permissible in eight out of 12 E. U. A. states, is under discussion in two, and cannot be used in Massachusetts and New Hampshire, which do not have the new New York policy.

A considerable number of proposed refinements in fire and allied lines are being studied by the E. U. A. rating methods research committee. For instance: Rent forms are to be reduced from seven to three. Desirable changes are being made in the rule governing legal liability for common carriers and warehousemen. New extended coverage endorsements recognizing atomic energy hazards will soon be put into use and many other refinements are in the offing.

The agents' committee is impressed with the difficulties involved in any attempt to hasten the movements of a company organization of such dimensions. There is a vast difference between the movements of the fire and the casualty industries as regards modernization, quick adjustment to conditions and the obtaining of majority agreement. It would seem imperative that a single, national research organization be created to tie together the efforts of the four regional organizations.

The intentions of E. U. A. are to cooperate with the producers to the fullest, Mr. White declared. Conferring is new to both E. U. A. and the agents' committee, and it is necessary that each extend full consideration to the other, in conferences and the calling of them.

The 1950 meeting of the conference will be held in Boston in March and the 1951 meeting in New York in April, in connection with the midyear meeting of the national board of state directors. Mr. Wallace announced.

Dana J. Lowd, Northampton, Mass., and Charles H. Frankenbach, Westfield, N. J., state directors, were advanced by their states for election to the executive committee. In announcing the results

(CONTINUED ON PAGE 40)

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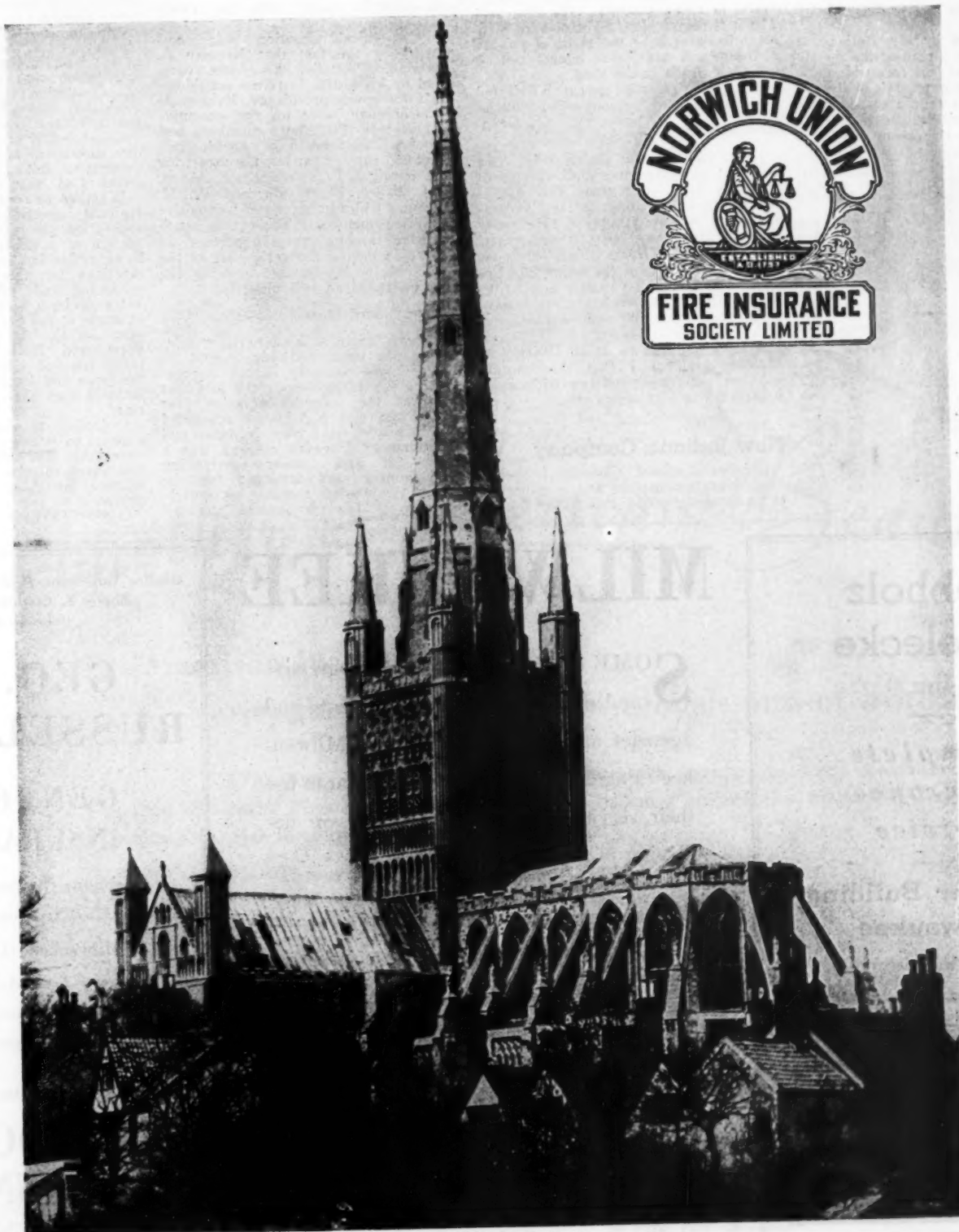
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Takes Stand vs. Installment Paying of Term Premiums

(CONTINUED FROM PAGE 34)

in the depression to save business from going to the mutuals.

Jesse C. Hearn of Roanoke, Ala., had the crowd laughing repeatedly with his presentation.

One point raised by Mr. Butler was the possibility that spread of the installment plan may lead to a reconsideration of the discounts on term. His final word was that the agents should approach the issue not with their private interest in mind but from the standpoint of what is soundest for the business.

Following is the vote on the installment plan statement. The first vote is on the motion to table, the second on the statement itself.

Ala.	yes	no	Nev.	no	yes
Ariz.	no	yes	N. H.	no	yes
Ark.	no	yes	N. J.	no	yes
Cal.	no	yes	N. M.	no	yes
Colo.	no	no	N. Y.	no	yes
Conn.	no	yes	N. C.	yes	no
Dela.	yes	no	N. D.	no	yes
Fla.	no	yes	Ohio	no	yes
Ga.	yes	no	Okla.	no	no
Ida.	yes	no	Ore.	no	yes
Ill.	yes	yes	Pa.	no	yes
Ind.	no	yes	R. I.	no	yes
Ia.	no	no	S. C.	no	no
Kan.	no	yes	S. D.	yes	ps
Ky.	no	yes	Tenn.	yes	no
La.	no	yes	Tex.	no	yes
Me.	no	yes	Utah	no	yes
Md.	no	yes	Vt.	no	yes
Mass.	no	yes	Va.	ps	ps
Mich.	yes	yes	Wash.	ps	ps
Minn.	yes	no	W. Va.	yes	no
Miss.	no	yes	Wis.	no	no
Mo.	yes	yes	Wyo.	no	no
Mont.	no	no	D. C.	no	yes
Neb.	no	yes			

Action on Commission Question is Postponed

(CONTINUED FROM PAGE 31)

tatives in negotiation. As a result, they have protected their interests, but no one has been able to defend the smaller agent in these matters. He also said that it is easy to lose sight of hard facts in enthusiasm over the right of private contract and urged the agents not to put their heads in the sand.

Mr. Fisher's motion was then defeated by an uncounted, but one-sided vote.

New Motion

J. H. Carney, Eau Claire, Wis., then said that the differences in the points of view are really not great, that everyone wants to get as many facts as possible and no one wants to take hasty action. He moved that a committee, representing different points of view and different parts of the country be appointed to study the matter and to report to the board with a view toward aiding in the establishment of a national policy on commissions.

After a question by P. E. Jester, Des Moines, established that this motion did not include consulting with companies, it passed unanimously.

New Indiana Company

Citizens National Casualty is being formed at Indianapolis and is expected to be in operation by about Nov. 15.

O. Shaw Johnson N.A.I.A. President

(CONTINUED FROM PAGE 31)

top executive post, with the newly created title.

The political situation was complicated by the fact that Norman A. Chrisman, Pikeville, Ky., was compelled by his health to refuse consideration for the vice-presidency. Ever since Mr. Chrisman went on the executive committee in 1947, both members and observers had assumed he would climb to the top rung. That left the race wide open among J. F. Van Vechten, Akron, M. J. Miller, Ft. Worth, and W. M. Sheldon, Chicago, veteran executive committee members. There was much jockeying among the supporters of these men during the early part of the week and by Wednesday morning the situation appeared still unsettled.

Chicago Board Hosts

Chicago Board of Underwriters, celebrating its 100th birthday, outdid itself to make the stay of the conventioners enjoyable, despite the fact that this was the second successive year in Chicago and N.A.I.A. is scheduled to return here next year. A dance and entertainment Tuesday evening was a smash hit and further outstanding entertainment was arranged for the dinner Wednesday evening by Zurich. America Fore's traditional cocktail

party Tuesday evening was crowded, luxurious and enjoyable. The Stevens hotel handled the meeting adequately and there were few complaints on accommodations and meeting arrangements—something rare since the war. Even the undependable Chicago weather delivered in fine style, at least up to press time.

Although not scheduled as part of the formal agenda, there was much interest in the interstate rate developments and satisfaction that at least a semblance of a solution had been found. Mr. Sheldon reported on these developments at the opening meeting of the national board of state directors Monday afternoon and said the executive committee felt that there had been achieved at least a working start.

Whether to continue the plan of five regional meetings inaugurated last spring or to return to the previous custom of a general mid-year meeting is an undecided question. The regional meetings for this coming spring are scheduled and will not be disturbed, but a decision as to 1951 will probably be made at the St. Louis board meeting next spring. At present, the Middle West and Rocky Mountain Agents seem satisfied with the regionals, the Southern and Pacific Coast Agents dissatisfied and the eastern group undecided.

Objection to regional meetings and a desire to return to a general mid-year convention was voiced at the Wednesday board meeting by E. J. Seymour, Monroe, La. A resolution proposed by directors of the Louisiana association, (CONTINUED ON PAGE 54)

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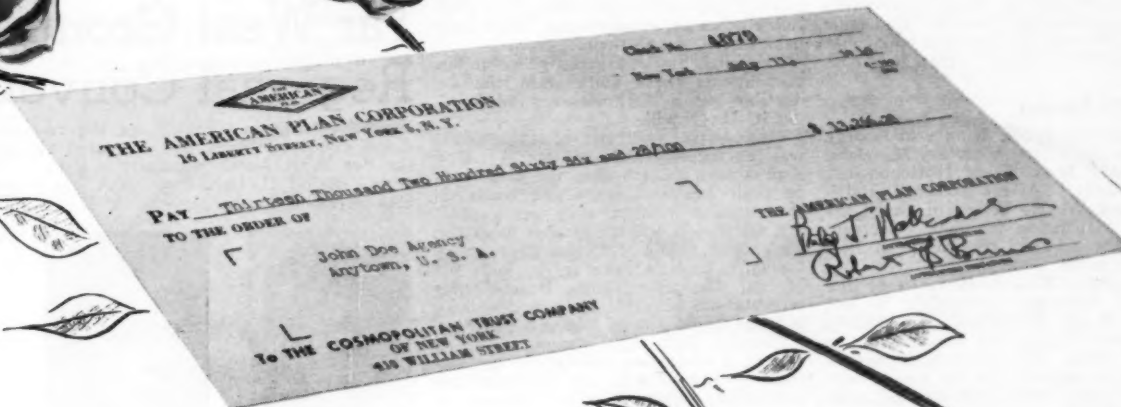
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Easterners Discuss Installments

(CONTINUED FROM PAGE 36)

of his canvass, Carleton I. Fisher, Providence, pointed out that with the retirement of John C. Stott, the eastern territory will have no representation.

There was some discussion of whether technical committees should be permitted to talk about acquisition percentages, not commissions, in their conferences with companies and bureaus. But aside from a trial run on how the two could be separated, there were no conclusions.

Tribute to Yeomen

The gathering paid tribute to George Robertson, executive secretary Maryland association; Miss Helen Hottenbacher, his assistant; J. Albert Rossman, Baltimore, and W. H. Wiley of the Connecticut association for their efforts in making the regional conference in Baltimore a success.

In ordinary New York territory the extended coverage deductible is not popular, R. M. L. Carson, Glens Falls, said. Local boards are advocating use of full cover. He wonders if agents organize to use only the full cover, they may not find themselves saddled with the mandatory.

Mr. Doremus said the E. C. deductible

still is under study. The companies' thinking is that they have no way to gauge the possible effect of a hurricane, and that they still want the mandatory deductible.

The companies put through a very mild differential in New York to establish the idea of the deductible, Roy Duffus, Rochester, commented. What happens next is up to them.

Samuel J. Sugar, District of Columbia, said agents there don't want the deductible but if territories around D. C. get it, D. C. will.

One mutual company is rating highway engineers in New York A1, Roy Duffus said, though they use their cars on their business, inspecting roads, in the summer months; they get a mileage allowance, and the state is named in the policy. The National Bureau of Casualty Underwriters agrees with the Mutual Casualty Rating Bureau's interpretation, he said. He wonders why girls under 25 should not get A1 rates.

Thomas Neff of Wheeling, W. Va., offered a resolution calling on the conference committee to ask the rating organizations, when there are changes in rates or rules, to send agents a letter or explanation. No action was taken but

Mr. Doremus pointed out that explaining changes is a public relations item and the E. U. A. has been asked to outline a method of explaining such changes.

Agents, companies and rating organizations still are having difficulty getting changes made when they come out. All agents said 30 days, the usual al-

lowance of time, is not enough, that most renewals are made 40 days ahead so the agency can keep up with its work. Mr. White pointed to the sweeping reductions in Pennsylvania, where agents will have only hours between the time they learn what they are and the time they go into effect in the state by the date, Oct. 1.

Far West Group Cool to Regional Convention Idea

Sentiment against continuing the regional convention idea was expressed at the Far West Agents Conference gathering. Ralph D. Callister of Salt Lake City presided in the absence of C. M.

agreed that better prospects are not in store for future gatherings.

The group deferred any discussion of installment premiums on term business. Mr. Nehring stated that he had had this item put on the agenda before knowing that the directors would have an extensive discussion of it at their meeting. Nearly all of the far west agents admitted a lack of knowledge as to the issue. They observed that while such plans have now been filed in Arizona and California, there has been no demand for them on the part of the agents, and, in fact, no discussion of them whatsoever. Several members admitted that on their way to Chicago, they had attempted to gain some information on this score, but found no one from their territory familiar with it.



W. B. Glassick



Kenneth Nehring

Putnam, Oakland, who was unable to attend because of pressing business.

When the matter of setting a date and place for the 1950 gathering of the conference came up Mr. Callister called for expressions of opinion as to whether the agents would rather hold a strictly business meeting or continue the convention meetings. The opinion was that not enough agents from more distant states would turn up at San Francisco, the accepted meeting place, and probably in the future a smaller turnout than that of last April could be expected since that meeting was combined with the midyear meeting of the National Board of State Directors. The issue was not brought to a vote, the decision being to wait and see what action the state directors might take at their gatherings.

Nehring Explains N.A.I.A. Plan

Kenneth Nehring, Tucson, a member of the N.A.I.A. executive committee, pointed out that the regional convention was designed to offer a midyear meeting to as many agents as possible. A. E. Shepperd, San Jose, answered the argument that the company advisory committee meetings could only be held in San Francisco by pointing out that the company men would gladly travel to any city in the conference region. This would take the load off the California agents who would otherwise have to conduct the meeting every year.

Registration at the San Francisco meeting in April was below 500 including company men. Only a few representatives turned out from Idaho, Nevada, Montana and Utah, and it was

Discusses Retrospective Rating

William B. Glassick, Los Angeles, discussed retrospective rating plans on workmen's compensation and general liability, and stated that the California agents do not like the bureau plans because of the graded commission feature.



E. E. Hayden



R. D. Callister

He termed this an opening wedge for grading commissions in the entire casualty business. This attitude has not produced repercussions with the companies as yet, he pointed out, because when it was adopted there was a sellers' market in insurance. Now that the companies are looking for business again, it is probable that they will make some new overtures.

Reporting on driver training education progress, E. E. Hayden, Oakland, secretary of the conference, remarked that the Assn. of Casualty & Surety Companies have deferred sending a full time man to the coast until the appropriate committee meets sometime within the next few months. However, six teacher institutes have been estab-



C. M. Patrick, president Dallas Insurance Agents Assn.; Carleton Fisher, Providence, and Alphonso Ragland, Jr., president Southwest chapter C. P. C. U.

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lished with the aid of the association
and when a full time man is available,
he predicted the ball will get rolling.

The situation in California is favor-
able to the insurance companies taking
the lead, he added. A bill has been en-
acted providing that every high school
student must complete a driver training
course before receiving a diploma. The
agents have met with the Pacific Coast
advisory committee of Assn. of Casualty
& Surety Companies, and outlined their
plans and have received an excellent re-
sponse.

No progress was reported on the \$150
minimum premium provisional report-
ing forms as requested of the companies
at the San Francisco meeting. Ap-
parently this resolution was not sent im-
mediately to the company advisory com-
mittee, and action has been delayed.

Mr. Callister appointed a three-man
committee to study licensing and coun-
tersignature laws in the conference states
and compare them with the N.A.I.A.
uniform draft. The members are Wil-
liam Norgard, Yakima; Harry W. Pou-
lson, Boise, and William Garret, Reno.

A three-man committee also was set
up to handle awarding of the William
H. Menn Cup for the state within the
conference doing the best job of public
relations. The first award will be made
at the next conference meeting. The
committee consists of Robert Battles,
Los Angeles; Harold Hays, Portland,
and Paul Jones, Phoenix.

President's Awards Go to Eight Agents at First Session

Presentation of eight presidential cita-
tions featured the opening session of
National Assn. of Insurance Agents
meeting Monday afternoon. They are
awarded annually for accomplishments
in business, civic or personal life which
have brought prestige and credit to the
American agency system. President
J. C. Stott made the awards after he
had finished his report of the adminis-
tration.

R. M. L. Carson, Glens Falls, N. Y.,
was cited for his many years of service
in local, state and national matters.
L. E. Scott, Ocala, Fla., was awarded
his for initiating the public relations
program of Florida Assn. of Insurance
Agents and reviving the association's
publication and J. J. O'Toole, St. Louis,
for his fire prevention work.

Two Committee Chairmen

E. J. Seymour, Monroe, La., won his
acclaim for his success as chairman in
1947 of the committee investigating the
N.A.I.A. budget and last year of the
committee which studied the association
operations and made many economies.
W. S. Attridge, Boston, was cited for
his work on the long haul truck commit-
tee and Broadus Bailey, Greenville, S. C.,
for his inland marine work, including
the new personal property floater film.
A. C. Treiber, Utica, N. Y., was awarded
a citation for his traffic accident preven-
tion work in his home community and

T. C. Fitzhugh, Waco, for his work as
president of Texas Assn. of Insurance
Agents and nationally on the committee
which developed the new allocation for-
mula.

Messrs. Scott and Treiber were un-
able to attend the meeting and their
citations were accepted by their state
presidents, J. P. Lassiter, Leesburg, Fla.,
and R. A. Duffus, Rochester. The others
mounted the rostrum and took a bow.

Hospital Service Plans Untaxed

LINCOLN, NEB.—Attorney General
Anderson has upheld validity of the law
exempting hospital service corporations

from taxation. He said there is persua-
sive legal authority for holding that
while in the nature of insurance com-
panies they are actually benevolent and
charitable corporations and may be so
designated by the legislature.

Although the Nebraska supreme court
has never passed on the question, he
points out that the Ohio courts have
held that the purposes and the conduct
of their business brings them clearly
within not only the letter but the spirit
of the act.

A. & H. Managers of San Francisco
heard a talk on socialized medicine by

Dr. Everett Carlson at the September
meeting.

Hodges Sees Sustained Prosperity and Progress

BOSTON—"A sustained period of
prosperity and progress is now in the
making," said Charles E. Hodges, presi-
dent of American Mutual Liability, at
the division managers' meeting here.
"On the basis of current general busi-
ness conditions and trends, it is quite
clear that our national economy is
sound and will start to move into higher
ground by mid-1950."

To Members of the National Association of Insurance Agents...

You have probably noticed our current
advertising series appearing in the insurance
press which has been designed to awaken
an appreciation for fundamental Americanism.
Should you wish to join us in support of
this much needed activity, reprints of these
advertisements suitable for distribution to
your clients and friends may be obtained
by writing our head office. We wish
you every success in your convention.

[Signature]
PRESIDENT

David Webster
on June 3, 1894 said...




"Get quite liberty only
to those who love it, and are always
willing to guard and defend it."

It has been two hundred years, an energetic, commercial people,
working together in a free economy and guided by a government
of their own choosing, have built the American way of life... a life
so abundant as to be beyond the conception of most of mankind.
A "freedom state" full of historical documents is no guarantee
that the way of life will be passed on to our children... that is
our responsibility. The future of America can only be secured if
we adhere to the beliefs of our forefathers—that real security and
well-being are inseparable.

Fireman's Fund Group
FIRE • AUTOMOBILE • MARINE • CASUALTY • SURETY • FIDELITY

Patrick Henry
on March 23, 1775 said...




"Is life so dear, or peace so sweet, as to
be purchased at the price of chains and slavery
—as for me, give me liberty or give me death!"

TODAY we hear more and more about the security, the "peace
at any price" of a planned economy... how and how about the old-
fashioned initiative, inventiveness and hard work that created the
American way of life.
In our striving for security and material well-being, we are in
danger of losing our individual liberties for the "chains and
slavery" that are the price of a planned economy.
If our free economy is to endure, we must return to the fundamen-
tal of self-reliance and individual initiative upon which it was built.

Fireman's Fund Group
FIRE • AUTOMOBILE • MARINE • CASUALTY • SURETY • FIDELITY

Benjamin Franklin
on July 19, 1755 said...



"They that give up essential liberty to
obtain a little temporary safety deserve
neither liberty nor safety."

OUT of the fundamental principles set down by the founders of our
country has come the miracle of our freedom and they continue free
and opportunity.
Now the time has come to renew our understanding and apprecia-
tion of the basic tenets of self-reliance, individual effort and respon-
sibility taught by our forefathers and adopted as the corner stone of
the way of life that has made our country great.

Fireman's Fund Group
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Richard C. Allgood, executive secretary
Nebraska association, and George C.
Hughes, executive secretary Rhode Island
association.



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NATIONAL ASSOCIATION OF INSURANCE AGENTS

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American Business and Brokers

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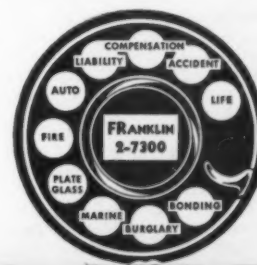
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INSURANCE**

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Blanket Bond of this type available in these
amounts. It's an ideal coverage for mer-
chants and small business risks. Larger
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6-Base Formula Eliminates Volume Test

(CONTINUED FROM PAGE 32)

members in addition to agency members.

If, the committee suggests, the amount of dues produced by the new formula appears to be larger than before or little reduction, in many cases this is because the state associations have materially increased their membership in the past year. The more members, the more it pays the national. It is therefore important to keep the eye on the main point—amount per member produced by the formula last year and amount per member for 1949-50.

The new proposal goes back to the principle adopted in 1937, to encourage membership development, allowing a credit against the average dues per member to state associations that developed greater than standard and charging somewhat more than the average dues per member to those states that have not developed their membership to standard.

Important in Legislation

The state associations that have developed their membership have built up their additional memberships among the small minimum dues paying agents. Those that have not fully developed membership in comparison have on their rolls the larger full time professional agents who should be paying higher dues. Some state associations have stated they do not want to develop membership among the small part-time agents and that decision is their privilege. Others believe their greatest strength, especially on legislative matters, lies with these small agents. The formula recommended is designed to give the latter associations a smaller per capita payment to the national on these additional members and that principle is fair to everyone, including those associations that do not want to further develop membership.

White population was taken not with any discriminatory purpose in mind but because the foundation of the formula is opportunity for membership development and there do not exist general insurance agents anywhere with isolated exceptions other than white people. U. S. Census bureau figures are used and the white figures exclude not only black, but red, brown and yellow.

Proposed Procedure Illustrated

To illustrate the proposed procedure, Connecticut had an average membership in 1948-1949 of 754. Its standard fixed by dividing its total white population by the national average of 5,195 is 381. Dividing 754 by 381 produces a factor of 1.98. Connecticut has developed membership 98% above standard, the highest figure in the country except Nevada which is 3.54 or 254% above their standard. Therefore Connecticut would receive a credit against average dues per member of 98% except that such a credit would be obviously impossible and

therefore their credit is limited to 25% and they wind up with the minimum dues per member. Kentucky had average membership in 1948-49 of 449 and their membership standard is 498. Dividing 498 into 449 shows that Kentucky has a factor of .90. It was developed membershipwise 90% of standard. Its debit is therefore 10%. If the computed debit had exceeded 25% it would have been limited to 25% in the same manner that the Connecticut credit was limited to 25%.

How Credit, Debit Work

The national association needs \$8.09 per member for the fiscal year 1949-50 to balance its budget. Applying the credit of 25% against this figure for Connecticut reduced their per capita allocation to \$6.07. Applying the debit to Kentucky increases theirs to \$8.90.

A formula that is to be used over the years requires a balance factor. The formula as described would produce \$192,875 this year, short of the required amount by \$12,465 or 6.462%.

It is proposed that the final step be application to the allocation of every state association of the balance factor to raise the sum required. This balance factor raises the per capita figure in Connecticut from \$6.07 to \$6.46 and in Kentucky from \$8.90 to \$9.47. Multiplying these figures by the average 1948-49 membership produces the final figure which is that Connecticut would be allocated a total payment of \$4,873, and Kentucky \$4,254.

Effect in Future Years

At \$15, Kentucky would get additional revenue of \$735. But next year its per capita allocation would be reduced to \$8.61 (assuming the same budget and national membership) which is the average of \$8.90 plus the 6.462% adjustment factor applicable to those developed exactly to standard. Multiplying 498 members by \$8.61 would produce an allocation of \$4,288, only \$34 more than this year so that out of the additional dues collected Kentucky would pay the national only \$34 and would retain \$701. Furthermore, should membership development continue up to 25% above standard this would mean 124 additional members.

Family Rifts Created

The Aetna Driverometer (ex-Reactor) which was given an intensive workout at Chicago, was the source of several family upsets of an emotional nature. When the wife, as frequently happened, showed herself to possess superior driving reactions to her husband, there was soon grievous family discord, and many such a slow poke husband was seen sneaking quickly to the nearest company headquarters for a double bourbon and soda.

Dues Income of \$200,000 Called Foundation Figure

Harry T. Minister, of Columbus, in reporting as chairman of the N.A.I.A. finance committee,

said that expenditures during the last fiscal year were \$932 less than the \$342,422 authorized.

From an operating standpoint on a cash, rather than an accrual basis, total income was \$337,794. Expenses were \$341,489 or a reduction in cash position of \$3,794.

This will be more than offset if and when the accounts receivable consisting payments due from state associations on their 1948-49 allocations and quotas are collected.

The contingent reserve fund was increased by \$5,441, which represents accrual of interest to this account.



Harry T. Minister

The educational division increased its net balance \$4,554 during the year.

Staff salaries were approximately \$7,500 under the budget amount; traveling expenses exceeded the anticipated budget by \$14,028; the agency cost survey expenses were \$1,283, not including salaries; expenses incurred for the promotion of "Program for America" were \$1,862, the "American Agency Bulletin" had a net operating gain of \$4,508, not including salaries.

Mr. Minister said the association cannot be operated with less than \$200,000 dues income from the state associations (the current year's budget provides for dues income of \$206,000) without seriously interfering with its services.

The educational division has done a splendid job in the face of withdrawal of monetary support from the company organizations, he said, "and we hope that it may one day be able to sustain itself without financial assistance from the association's operating budget."

He called attention to the \$206,000 the association has set up as anticipated income from dues this year as compared to the \$88,212 received in the 1942-43 year. There are 9,000 more members to serve. The average cost per member has risen from \$5.45 to \$8.09, an increase of approximately 48%.

Blue Ribbon Automobile Insurance Coverage

Farm Liability

Family Liability

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IOWA	-	-	MINNESOTA
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Webster 9-7700

At Babaco Alarm exhibit — R. D. Eckhouse, director of public relations of Babaco; K. A. Svenson, Cedar Falls, Ia., and Mrs. Svenson.



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SUCCESSFUL NATIONAL ADVERTISING

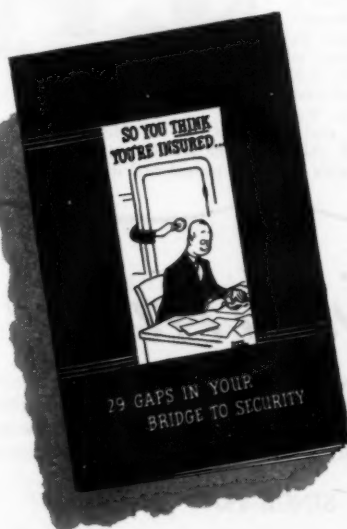
Certainly the fine sales record of American Motorists Insurance Company is not attributable entirely to the national advertising campaign. But for more than two years it has proven successful in backing up the sales efforts of AMICO representatives from coast to coast.

The cartoons and anecdotes in the ads graphically show how gaps can occur in insurance programs—and how losses can be covered with the advice of competent insurance counsel.

Obviously, the ads can cover only one significant loss at a time. Accordingly, the booklet, *29 Gaps in Your Bridge to Security*, is offered in each ad. And the booklet is used by AMICO representatives as a point-of-sale piece, as a goodwill item and as a mailing piece.

29 Gaps contains a series of short stories about life and business. But, it points the moral that gaps are not caused by a lack of available insurance coverages but rather by the failure to obtain up-to-date, comprehensive insurance protection.

Both the ads and the booklet conclude with the sound advice to *See your AMICO agent or broker.*



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Agents know the advantages in offering policies of a well known insurance company. For more than 239 years the *SUN*, oldest insurance company in the world, has been favorably known to millions. And behind this name is an unequalled record of distinguished service and proper protection to fit the ever changing needs of the times.



FIRE AND ALLIED LINES

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Southerners Dissatisfied With Territorial Meet

The subject of liveliest discussion at the southern territorial conference, under the chairmanship of Wilbur K. Allen, Birmingham, was installment term payment of fire insurance. No formal action was taken but the bars were down in a heated pro and con discussion.

Many resolutions were passed by the conference prior to the election of new officers: Donald A. Bolton, Jacksonville, chairman; William E. Webb, Statesville, N. C., vice-chairman, and George du L. Fairleigh, Atlanta, who is retiring as N.A.I.A. treasurer, secretary.

Blast Term Plan

The consensus about the term installment plan was that it places a burden upon agents for no additional compensation and discriminates against cash payment plans. Further, agents do not want companies performing the function of banking.

W. E. Bingham, Baton Rouge, blasted the plan, declaring that it costs the average agency \$5 to issue a policy and that if the new system is universally adopted the overhead on a five year term would be staggering. L. P. McCord, Jacksonville, emphasized that smaller offices would, in fact, suffer a reduction in commission by following this procedure. He mentioned checking with banks and specialists in collection techniques and found they spent \$1.03 to collect insurance premiums and pointed out that the small agent has to spend more than \$4 on a term plan to collect the installment premiums. He said he would have to sell out tomorrow if such a plan became universal. He urged the companies not to take the cost of collection from the agent's pocket.

Others who opposed the plan were Robert E. Bobo, Clarksdale, Miss., president Mississippi Assn. of Insurance agents, who stated that his association directed him to oppose its adoption, and Frank S. Wilkinson, Rocky Mount, N. C., state national director in North Carolina.

Some Favor It

Jesse C. Hearn, Roanoke, Ala., said he could not see any danger in the installment plan. He declared it meant more business for his small agency which deals principally with farm risks, because all his clients cannot afford to pay at one time for all the insurance required.

Eugene Harrington, Atlanta, past N.A.I.A. president, believes the problem of reserves, legality, and all the other arguments against installment plans are company headaches. He said he thinks the plan has public acceptance and that it is the duty of the insurance man to give the public that which experience has demonstrated it wants. He added that his agency contracts with companies having this plan were amended to protect his renewal ownership.

Dissatisfied with Augusta Meet

Many attending the session were discontented with the territorial conference at Augusta last spring. They felt the executive officers did not keep their promise to help arrange and attend the conference. It was reported that Louisiana is withdrawing from the territorial meetings and that other non-S.E.U.A. states may do the same.

H. C. Arnall, Newnan, Ga., and J. T. Hudson, Spartansburg, S. C., state national director for his state, spoke about this contemplated secession and urged these states to reconsider, because similar problems are confronting the other territorial conferences and all must work together for the common good.

At this point a resolution was unanimously passed asking the National Association either to help territorial conferences, in preparing meetings, or to abandon them in favor of mid-year meet-

ings at which emphasis is placed on territorial meetings. Another resolution asked N.A.I.A. to have an executive attend each territorial conference at annual meetings for the purpose of answering questions. Another urged the Louisiana association to rescind its withdrawal.

The conference also went on record as opposing territorial conferences endorsing or submitting candidates for N.A.I.A. officers.

Mr. Allen introduced Commissioner White of Mississippi.

"Found Money" Film Gives Valuable PPF Message

"Found Money," a new 20 minute film on personal property floater policies, was presented by Inland Marine Underwriters Assn. at the business development session of National Assn. of Insurance Agents Wednesday.

Broadus Bailey, Alester G. Furman Co., Greenville, S. C., who conceived the idea of this film, takes the leading role.

A proper and accurate appraisal of an assured's property should be made before a disaster, Mr. Bailey points out. A personal visit is made by Mr. Bailey to an assured's home before he even tries to sell the policy. With him he takes a portable recording machine and goes from room to room dictating a complete description of all property. When the list is completed, the assured then fills in the corresponding values. When these have been totaled Mr. Bailey then urges a personal property floater policy with an amount of coverage equal to at least 80% of the property value. Often, assured take 100% coverage. In either case the assured has adequate coverage and the agent a better commission.

Miss. Commissioner Eyes Term Premium Debate

Commissioner Jesse White of Mississippi attended the first part of the meeting, and departed for Jackson Tuesday. He was particularly interested in the discussion Monday evening on the term premium installment payment idea. He has consistently opposed this program in his state and successfully defended a law suit to compel him to authorize it.

Hugh Christie of the Florida department also attended the discussion intently. In deference to the wishes of Commissioner Larson of Florida S.E. U.A. refrained from filing its installment plan in that state at the time it was filed in the three other S.E.U.A. states of Georgia, South Carolina and Alabama. Mr. Larson wanted to be able to

have the benefit of the N.A.I.A. illumination of the issue before being required to make a decision.

Ad Man Calls on Agents to Promote Independent Spirit

Using the title "How Independent Can You Get?" as the theme for his address before the N.A.I.A. convention John E. Wiley, chairman of the advertising agency of Fuller & Smith & Ross, Inc., called on the agents of America to justify their pride in being independent contractors.

Mr. Wiley observed that success as an independent operator of a profitable insurance business has developed qualities of leadership that can be put to work on the job of helping train others to resist the social tendencies of modern living. He demonstrated how the love of independence which has characterized America since earliest times can be kept alive through education and persuasion.

"When most people depended upon the axe, the rifle and the plow for a living," he said, "they thought and acted independently. Now that most people depend upon the oil burner, the corner butcher and the machine for their share in an abstract national economy, they cannot think and act independently except through special training. The opportunities for true greatness today lie in family, neighborhood, town. Thousands of leaders are needed to teach the principles of independent thought and action to people who have lost their sense of personal obligation in the atmosphere of half-socialism."

Using various props to illustrate the advance from squirrel-rifle days, through the mild machine age of the lightning-rod salesman, to the complicated economy of today, Wiley lightened the burden of social study with showmanship.

Owen Caldcleugh of John M. Coleman agency, San Antonio, is the father of a son.



Mrs. W. H. Menn of Los Angeles and Walter H. Bennett, counsel of N.A.I.A. at past presidents' dinner.

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Greetings

To the National Association of Insurance Agents on its 53rd Anniversary

AGENTS, in recognition of their obligation to the public, stand for and firmly advocate the principles of the American Agency System and the sale of sound capital Stock company indemnity. Only through upholding these highest principles of insurance will they enjoy greater prestige and security for capital Stock insurance.

THE WESTERN MANAGERS whose names appear on this page believe in and endorse the principles of the American Agency System and represent companies that, of course, offer only sound capital Stock insurance protection. Through their close contact with agents they offer their facilities and services in the proper conduct of the business, and through this medium send greetings to the National Association of Insurance Agents.

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CHICAGO, ILLINOIS

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Vice President
THE HANOVER GROUP
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THE LONDON ASSURANCE
THE MANHATTAN FIRE & MARINE
INS. CO.
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LOYALTY GROUP
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F. M. Gund
CRUM & FORSTER
FREEPORT, ILLINOIS
LOOK US UP—CONVENTION
HEADQUARTERS — STEVENS HOTEL

Committee Reports Make a Record of Year Long Progress in Many Fields

The work of many of the committees of the N.A.I.A. the past year was impressive, in some cases because of the character of the problems the committee faced, in others because of the character of the committee personnel, and in some because of both. These reports, which are made available at the annual convention, are often overlooked in the hurly burly of a heavy convention program, but many of them contain sound recommendations, bring the agent up to date in important areas of his business, or are otherwise notable.

MEMBERSHIP

Another new membership mark was scored during the fiscal year, Walter H. Lupke, Fort Wayne, head of the membership committee reported. A net gain of 1,014 member agencies brings the total to 26,123 as of Aug. 31. Twenty-

eight state associations recorded new membership marks in the year, 14 scoring net gains of 10% or more. Reports indicate a full fledged affiliate in Alaska soon.

Numerically, California, Iowa, New York and Pennsylvania made the greatest gains. Percentage-wise, Montana topped the list.

The past year was one of action and accomplishment by the N.A.I.A. Many issues were favorably resolved, demonstrating the tremendous influence of the agency ranks. This reaffirmation of the value to be derived from local, state and national units is one of the underlying reasons for the continuing growth of the association.

FIRE AND ALLIED

Uniformity of clauses used in fire policies was urged in the report of the

fire and allied lines committee of which Paul E. Keedy, Baltimore, is chairman. Most clauses, such as coinsurance, consequential loss, builders risk, farm, electricity, loss reinstatement, watchman—in fact all of the general clauses and warranties—should be uniform in verbiage and edited to conform with the conditions of the latest standard fire policy. Likewise, rules defining conditions of coverage and exclusions should not be so widely different throughout the various rating jurisdictions. Once such a uniformity of practice and wording were accomplished, the possibility of uniform manufacturing and mercantile policy forms might become a reality.

Criticism of Rating Practices

As to fire rating practices, the industry is seen open to criticism as the interstate policy problem is aired. Rating schedules and class rating practices are guarded zealously by the respective bureaus, and while some effort toward a study has been made, little positive results are anticipated. A very large and extensive cooperative study would have to be made over a rather long period in order to simplify and unify rate making practices. However, the longer the matter is delayed, the greater will be the impact on the business when it does come, as it inevitably must.

The greatest good which can be accomplished by the fire committee is that which would come out of a consolidated research program which would expose the inconsistencies among various fire bureaus. A decentralized committee would serve the regional groups in a direct manner, while the national group could coordinate the studies and consolidate the results in order to develop a consistent nationwide fire underwriting proposal.

LONG HAUL POOL

The market situation and servicing facilities are still far from adequate to enable agents properly to serve the trucking industry, Walter S. Attridge, Boston, chairman of the long haul trucking research committee, reported. Servicing facilities are limited to but a very few companies and then not in all territories by those companies. Too much loss prevention is confined to conversation and not enough to practical safety engineering designed to meet the needs of the industry. There is a lack of specialized claim service because of insufficient volume carried by each company.

Some companies accept trucking insurance offerings from agents as accommodation business and only when the agent has a sufficient amount of other classes of business to balance the trucking premium. Yet companies insist that the agent must specialize in trucking insurance to acquire the experience properly to underwrite and service the business. A combination of these two conditions creates a situation which the majority of agents cannot meet. It restricts the handling of this business to the few agents and brokers whose volume is large enough to departmentalize and maintain several people skilled only in special fields.

Foreign to Agency Principle

Such a practice is foreign to the principles of the agency system which is to bring the services and indemnity of insurance to the highways and byways of this country; to suburban as well as to urban territories. Such a practice requires large agencies and brokerage offices to duplicate company practices

of hiring individual underwriters each skilled in a special type of insurance—in short, insistence on compliance with both conditions is detrimental to and will undermine the American agency system.

With what has transpired in the past 18 months and present unsatisfactory conditions, the committee again urges adoption of the plan of creating an organization to provide loss prevention service and provide claim service. The organization would place those loss prevention and claim facilities at the disposal of insurers too small to have such services of their own and larger companies could draw on such services in territories where they are not properly staffed to provide service on their own.

Cities Precedents for Pool

There is ample precedent for the adoption of such a plan—Associated Aviation Underwriters, Underwriters Grain Assn., Railroad Insurance Assn., Oil Insurance Assn., Factory Insurance Assn., etc.

The committee believes the highway branch of transportation deserves as fair treatment as that accorded other branches of transportation. The adoption of this recommendation will do that. It is of little comfort to the agent to learn that the trucking industry is being provided adequate insurance protection largely by non-agency, non-stock insurers.

From the committee's experiences with insurance company associations, "we are strongly of the opinion that no constructive progress can be effected through any further dealings with such organizations. It is therefore our intention shortly to act in accordance with our executive committee's authorizations and approach insurance companies individually, both association and non-association companies, to see if such a group organization cannot be perfected and the members of the American agency system be equipped properly and adequately to provide insurance indemnity and service for the trucking industry."

CASUALTY

The conference this year with the rating committees of the National Bureau of Casualty Underwriters went a long way to bring about a better understanding of common problems. Company officials present have expressed a high regard for the research agents' casualty committee has undertaken, and agents are gratified at the interest which the rating committees have shown in matters that the agents have referred to them.

At the meeting this year with the bureau the committee argued that since many agents are also real estate agents and since many real estate agents manage property, it would be logical to include those managing agents on the liability policies issued to the property owner. This would be effected by redefining the "named insured" in terms of the contract so that the managing agents would be automatically covered. Issuing policies in joint names or issuance of endorsements would become unnecessary. This is accomplished now at no additional charge, in this way; but



A. H. Criddle



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it is a cumbersome method and could be very easily overlooked by the agent. The managing agent is entitled to coverage at no extra cost upon proper endorsement, but he is not entitled to the same scope of coverage as named insured. There is a difference in relationship between managing agent and named insured, which would be particularly important in liability contracts that include an operational as well as premises hazard. The rating committee will call for a draft of language to accomplish this.

The committee suggested a footnote at the bottom of each rate page to indicate location of minimum premiums in the M & C manual, in some future manual revision. All minimum premiums could be included except those applying to specific special classifications on a single page either preceding or immediately following the classification rate pages. The number of footnotes already present on a rate page might tend to confuse the situation.

It is a custom for agents to distribute small tokens of appreciation to clients at certain times of the year, book matches, pencils, calendars, etc. Distinct from any malpractice liability, there is always a possibility of exposure to loss through defect in the product. The bureau was requested to set up a special classification in the products liability manual to cover this risk. A suitable rating basis is difficult and therefore might be "A" ratio.

Policy Redesign Suggestions

The committee suggested that if policy forms were redesigned, it might be possible to combine operations, now done individually, into one operation when the policy form is written. Many processes have been considered; on the less involved contracts some form of punch card system is being studied by I.B.M. Other companies are investigating use of ditto carbon and abstract system. The subject is multi-phased and complex and no definite decision will be made for some time. The matter is considered an individual company one.

There was discussed the rating method followed when a comprehensive personal liability insured owns a three or four family dwelling of which his own residence is a part. Two coverages are used, comprehensive personal and premises exposure under O.L.&T. The method of calculation now in use grants a 30% discount to the rate calculated in the O.L.&T. manual in order to standardize the rating basis.

The question was raised as to rating contiguous 3 and 4 family dwellings. The present flat rate method applying to each location (even though they be contiguous) develops a premium greatly in excess of that which would be developed under the old rating form which permitted combinations of total area and frontage under one rate.

Discrimination in CPL

In the comprehensive personal liability policy a serious discrimination exists between the owners of small outboard and inboard motor boats. A 14-foot inboard motor boat traveling at a relatively low speed is insured at an additional premium. A 14-foot outboard hull driven by a 22 horse power outboard motor accomplishing a much higher speed is insured at no additional cost. The committee was advised there will be new rules materially altering the present situation.

There is growing need for a fire legal liability contract, particularly where the property is under the care, custody and control of insured and is excluded from the usual comprehensive form.

A special committee of the bureau is conferring with the fire companies. Though conceding the coverage is a fire hazard and not measurable in terms of the usual limits used in liability, agents pointed out that where the insurance has been secured under present circumstances, the rates have been inequitable. They are usually the same as the fire

rates and do not reflect the true liability hazard.

In Philadelphia leases contain hold harmless agreements which in effect force each lessee to assume liability for the existence of an elevator, not only for his portion of the building but for the entire elevator exposure of the building owner. Under the present manual rules each tenant must purchase elevator liability insurance at regular manual rates. A number of policies may cover one elevator. The conclusion was that relief can come only through modification of the lease agreement.

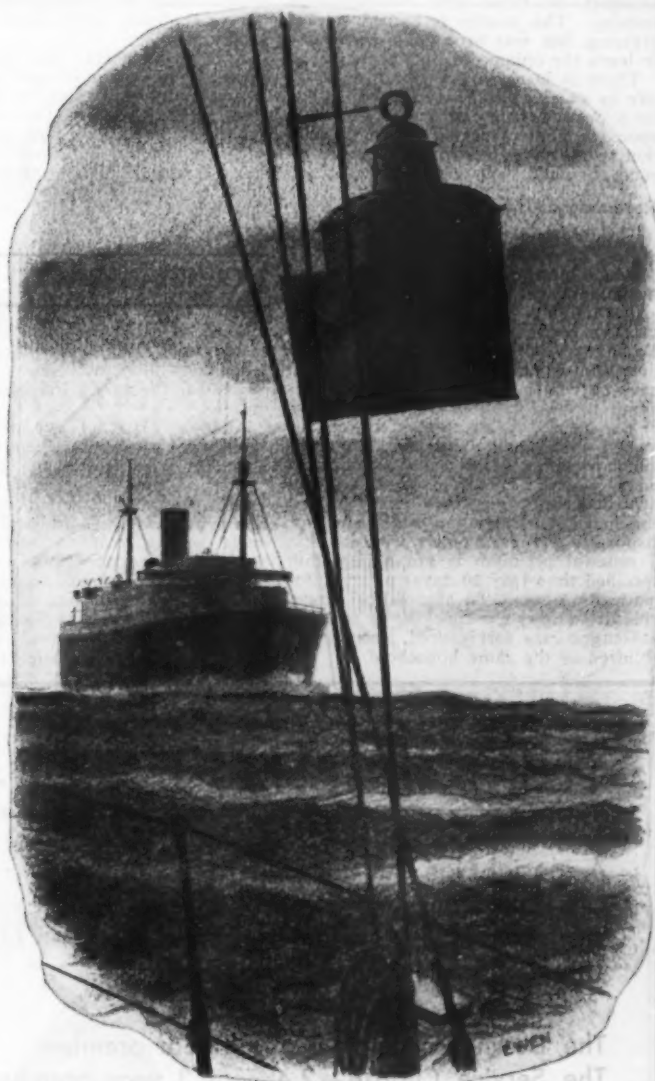
Use of a "market value" clause in open stock burglary insurance would standardize loss settlement values where insured uses the clause in his fire contract. It was suggested that instead of the present 33 1/3% rate increase for the use of the clause the problem be handled either through an increase in the coinsurance percentage or in the coinsurance limit.

A major factor in the unfavorable experiences of the storekeepers burglary form lies in abuse of its purpose by producers. It was designed primarily

for the small storekeeper with low stock values.

Agents still believe three-year term policies on an individual car basis to simplify insuring financed cars is a sound recommendation. On larger risks subject to rating plans, a three-year term policy would permit a better application of the plan. It would permit use of combination automobile policies for 18 and 24 months business. There seems to be no valid reason why the liability insurance cannot be written for longer than one year to be concurrent with the physical damage. It was again deferred

Security is no Accident



Security against present day hazards is the result of over a century of underwriting progress, in which the

National Association of Insurance Agents has constantly performed its unique service. Many of its members

have been invaluable to us in the development of the modern facilities we offer for insuring marine, auto-

mobile, fire and casualty risks.

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OCEAN AND INLAND MARINE — FIRE, AUTOMOBILE AND CASUALTY

AVIATION INSURANCE THROUGH ASSOCIATED AVIATION UNDERWRITERS

by the bureau committee because there has been no demand by a majority of the agents and the rate situation is still not satisfactory. On the larger risks, under plan D or other plan which combines auto with other liability available on a term basis, there is study but no decision yet. A basic consideration here is whether a rate level can be reasonably set for three years on a line which is as dynamic as automobile. If annual rate adjustment is required, the three year policy is not so attractive. Plan D permits combination with workmen's compensation, which can only be written for one year and there is no immediate prospect of three year compensation policies. This matter is not considered pressing, but was brought up primarily to learn the opinion of bureau members.

There is increasing evidence of a desire by an ever greater number of agents for a policy which continues indefinitely upon payment of premium and declaration of the number of cars without reference to make, year or model.

Recommends for Family Car

This too is a repeat item. The hours of time and bales of paper involved in issuing annual policies prompted us to recommend for the family car: A policy containing only the language necessary for insuring the non-business car. To have an effective date, but no expiration date specified in the policy. To have no vehicle description. Initial premium to be computed on a declaration of the insured as to number of vehicles owned and garage locations. Subsequent premium adjustments to be based on a similar declaration as to all cars owned during the entire policy year just concluded, with dates of acquisitions or disposals. To have a policy provision that if renewal premium is not paid within specified time (say 30 days) policy automatically lapses. To automatically provide drive other car coverage as to other passenger cars for insured, spouse and children of the same household.

This proposal was received with considerable interest by the bureau committee as evidently some of them are dissatisfied with the present form and modus operandi. Detailed suggestions for improvement are invited.

Under Age Driver Suggestion

State Farm Mutual's waiving of the higher rate on underage drivers, if they have completed a course in safe driving, plus opinion of many agents that student driving courses definitely tend to reduce accidents combined to cause this subject to be given serious consideration. Use of classes A1 or A2 rates should be considered for every young applicant with driver education, agents think.

Bureau members feel they cannot measure the effect of such courses on losses, and hence rates, in the foreseeable future, because the courses are sponsored by a number of organizations and administered in various ways. Because driver training programs do offer hope of youthful driver improvement, the bureau is interested in their extension.

LICENSING LAWS

Unprecedented activity in agent licensing legislation took place this year, Gary E. Gillis, Jr., New Orleans, reported for the agents licensing law committee.

Arizona (H.B. 144) and Arkansas (H.B. 111) passed rather detailed agents licensing laws which included a written examination in both instances; Idaho (H.B. 206) strengthened its examination provision; while Indiana (H.B. 233) made written examinations mandatory.

Florida introduced and passed a detailed law prescribing qualification, examination, and licensing of accident and health agents only. So-called "controlled business statutes" were introduced, passed, and made law in Con-

necticut (H.B. 486) and Ohio (H.B. 274). In Illinois (H.B. 981), the legislation passed and at report time was in the hands of the governor.

Effect of Multiple Line Powers

The committee urged that each state association review licensing and examining procedure under multiple line underwriting. In states requiring separate licenses and examinations for fire and casualty insurance, will an agent who holds only one license be allowed to take on the representation of a multiple line company? Should a multiple line license and examination be provided?

The committee believes that after each state reviews the problem, the national association should adopt a uniform policy to guide state associations. The matter should be discussed with company organizations so that any action taken will have their full support.

A uniform non-resident agents and brokers licensing law will undoubtedly be called for by the National Assn. of Insurance Commissioners and complete study should be given by all state associations so there will be a coordinated policy for presentation to the commissioners in December. The committee appended to its report a digest of all legislation passed.

DISABILITY GROUP

Before too many years the state without disability benefits legislation in some form will be the exception. John C. Conklin, Hackensack, N. J., stated in reporting for the disability committee.

Legislation relating was introduced in the last session by Alabama, California (amendments to present law), Colorado, Connecticut, Delaware, Florida, Illinois, Maryland (appointed a commission to study and recommend), Massachusetts (very active; established a commission to investigate and study the subject of cash sickness compensation), Michigan, Minnesota, Montana, Nevada, New Jersey (amendments to present law), New Mexico, New York (law passed), Ohio (created a commission to study and recommend), Pennsylvania, Rhode Island (amendment to present law), Tennessee, Vermont, Washington (law passed, but subject to referendum), and Wisconsin.

Thus more than half of the 44 states whose legislatures met in 1949 considered the subject in some form.

Monopolistic State Funds

In eight of the above states (Connecticut, Illinois, Massachusetts, Minnesota, Montana, New York, Pennsylvania, Wisconsin) monopolistic state funds were introduced, all of which failed.

Also in eight states (Delaware, Illinois, Massachusetts, Minnesota, Nevada, New Mexico, New York, Washington), legislation providing for a compulsory system but permitting private insurance was introduced, and was enacted in New York and Washington.

Voluntary plans were introduced in five states (Florida, Massachusetts, New York, Washington, Wisconsin), all of which failed.

Legislation providing for compensation for disability due to illness under the unemployment insurance laws was introduced in Alaska and seven states (Colorado, Connecticut, Maryland, Massachusetts, New York, Pennsylvania, Tennessee), all of which failed.

Inasmuch as legislation of this type has a good chance of being adopted in most states within the foreseeable future, it behooves organized agents to strive for a law which will protect and preserve their insurers and the agency sys-

tem. The provisions of the New York law are commended to these groups for their serious consideration.

SAFETY WORK

The N.A.I.A. "Safety Is Good Business" program in its first year has made substantial progress, T. K. Robinson, Memphis, states in his report as chairman of the accident prevention committee.



T. K. Robinson

Activities began with a conference with the accident prevention department of the Assn. of Casualty & Surety Cos., co-sponsors of "Safety Is Good Business."

Typical of the results obtained is the statewide driver education campaign in California. In Nebraska, the "Blueprint for Safety" program merits commendation. Connecticut also initiated a top notch program. Minnesota and Louisiana contributed to the support of driver education institutes to train teachers. At community level, Utica, N. Y. Memphis, Fort Wayne, Los Angeles, New Orleans, and York, Pa., are just a few of the cities that have conducted outstanding programs.

The National Association has become recognized as a major factor in the safety movement.

AVIATION COVER

The chief problem in aviation insurance, from the agent's point of view, according to Alphonso Ragland, Jr., Dallas, aviation committee chairman, is that there is not enough of it and probably won't be for a long time. The record on private plane production is 30,000 manufactured in 1946; 15,000 in 1947; 7,000 in 1948 and about half as many in the first four months of 1949 as in the same period of 1948.



A. Ragland, Jr.

The number of private planes in use has levelled off. There was an increase 1944 to 1946, from 28,000 to 80,000. In 1947 the total was 94,000 and by end of 1948 96,000, including gliders. In February, 1948, the Civil Aeronautics Authority issued 10,000 student certificates; in the same month of 1949 it issued 2,700.

The National Bureau of Casualty Underwriters has taken jurisdiction over aviation risks related to O.L.&T. and property liability coverages. The rates promulgated by the bureau are likely to be much higher than previously. Adjustment in this respect would appear desirable to forestall an increased activity of unregulated foreign markets.

RURAL AGENTS

R. E. Stephens, chairman, in reporting for the rural and small town agents committee, suggested that one of the big questions still in the minds of the small agent is the threat of federal government intervention in his business and the possible results. The answer is that the local agent must not only talk and write to his congressmen and senators, but he must also sell the public in his own community that the local agency business is legitimate and necessary in every community. This is very important also in view of another problem that is developing in many communities at

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this time, namely the activities of the direct writing companies. Reports indicate that the direct writing casualty companies in particular are soliciting much smaller lines, and no doubt will go further if sufficient volume in a community is developed.

FIDELITY, SURETY

The fidelity and surety committee, Travis D. Bailey, San Antonio, chairman, related, has been concerned with a growing tendency on the part of many architects and owners to require a bid bond from all contractors, and then waive performance bonds after the award. This seems to be an inequitable practice wherein the bonding companies are forced to pre-qualify each bidder at the lower bid bond rate. Steps should be taken to compensate for this loss of premium in relation to an increased exposure.

Many producers are at a competitive disadvantage in writing three years bond. Some non-board members are writing term bonds on a 40-30-30 basis, whereas producers representing board companies must write the same bond on a 50-30-20 basis. Study should be given this problem.

FILM ON PPF

Broadus Bailey, Greenville, S. C., chairman inland marine committee, achieved a personal triumph at the convention. The work of the committee consisted largely of Mr. Bailey's plan to increase the amount of insurance in the PPF, to make it more attractive to companies. The efforts of the committee and Mr. Bailey culminated in the preparation and release of a documentary film entitled "Found Money," which was premiered at the business development forum of the convention.

The film, in which Mr. Bailey takes the part of the agent, was prepared by the Inland Marine Underwriters Assn. personal property floater committee.

EDUCATIONAL

Although it has additional duties of research, the educational division has obtained increased enrollments; more discussion groups; adaptations of present courses; and the preparation and presentation of new units in the past year. L. P. McCord, Jacksonville, Fla., educational committee chairman, reported.

A total of 6,331 students have taken various parts of the introductory, orientation course and since its inception last year 1,096 persons have completed all six units and received the certificate of merit award.

The revised standard course series now features a complete discussion group outline, review assistance and comprehensive text material. Since its inception, 768 persons have successfully completed the minimum of 110 hours for graduation, and 10,630 students have been enrolled.

The public relations course henceforth will be known as the building agency prestige course. A second change in this unit is the reduction in tuition fee from 50c to 25c per hour.

This will permit a standardization of all discussion group tuition fees at 25c per hour per student.

Last year the educational committee projected its program three years, to cover eventual production of a complete agency management series. The goal set for the first year has been met by the release of the agency ownership course. Text material was compiled by John F. Neville, associate counsel of the association after a thorough research.

The agency management series now consists of three units, office management unit of the standard course, the

building agency prestige course, and the new agency ownership course. Other units will be added.

The number of state associations presenting portions of the educational program at short course schools on the campuses of state universities is increasing, and was done this year in Massachusetts, Connecticut, Mississippi, Indiana, Wisconsin, Minnesota, Kansas, Oklahoma and California. Several states have completed a concentrated short course presentation of the agency management series, notably, Oklahoma, Indiana and Wisconsin.

To reach the "agent at the cross-

roads" the educational committee released a correspondence course in the standard course this year.

John J. O'Toole, St. Louis, chairman of the fire safety committee, emphasized in his report the results that have sprung from the N.A.I.A.-National Board public relations task force, created at the beginning of the year. Major objectives achieved included recognition of state and local associations as the logical centers of influence for organizing and conducting community fire prevention week activities. The committee believes more groups will participate as soon as the mechanics of the plan

Convention Time!

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become better known. N.A.I.A. has inaugurated a news letter for the exchange of new ideas in the promotion of fire safety. It is entitled "Action in Fire Safety." Now good ideas can be shared by all. The mailing list contains 1650 names.

The National Board agreed to establish five film libraries at state association level. The results of the experiment have been so encouraging it is hoped the plan will be expanded in the coming year.

The local board fire safety contest was renewed and at this writing the number of entries exceed those of last year.

The N.A.I.A. has joined with the National Board on the hospital inspection program scheduled to start this fall.

Rocky Mountain Group to Hold Conference Mar. 24

The Rocky Mountain Conference decided to hold its 1950 territorial session at the Broadmoor Hotel at Colorado Springs Mar. 24-25. The success of last spring's meeting, with over 300 attending from three states, caused the group to abandon its proposal to merge into the middle west conference. The 1950 date was set at a postponed meeting Monday afternoon during the meeting of National Assn. of Insurance Agents. P. C. Sackett, Albuquerque, remains as chairman.

The mountain group also decided to work toward a tri-state form and rules committee to meet with company representatives. Since the dissolution of Mountain States Underwriters Assn. the only contact in that territory has been between the Colorado association and the field club of that state. An agents committee with representatives from Colorado, Wyoming and New Mexico will meet before the Colorado Springs session and prepare a conference plan for discussion then.

Large California Group

About 10 members of the northern California delegation arrived by plane early Saturday morning. Most of the southern California group came en masse in more leisurely pace by streamliner, arriving Saturday afternoon.

50 at Florida Dinner

The Florida group gathered at a special dinner Monday. Including the wives and guests this was a table of about 50. There had been 26 agents from Florida registered by that time. President J. P. Lassiter of Leesburg and Executive Secretary A. C. Eisler of Tampa were in charge. Guests included Walter Bennett, R. E. Farrer and Maurice Herndon of N.A.I.A. headquarters.

Middle Westerners Back Contingent Commissions

Chrisman Withdrawal Learned, Corson Handles Complicated Session

The Middle West Territorial Conference of National Assn. of Insurance Agents endorsed the principle of contingent commissions, declined to take a position on installment term premiums or on candidates for N.A.I.A. offices and heard, as usual, an exhaustive and interesting report from G. W. Carter, Detroit, its chairman for many years, whom it honored with a commemorative scroll at its meeting Monday morning. To accomplish this, it went through some parliamentary gyrations involving amending, reamending, tabling, reconsidering and voting on motions which were a challenge even to its able and imperturbable chairman, H. H. Corson, Nashville. J. H. Carney, Eau Claire, Wis., was kept busy reading motions and amended motions and several times business was suspended because members claimed they did not know upon what they were voting.

One result of the maneuvering on the question of endorsing candidates was a public statement that Norman A. Chrisman, Pikeville, Ky., national executive committee member and favorite for vice-president since last year, could not accept this office because of his health. It had been known since the French Lick territorial meeting last March that this was likely, but Mr. Chrisman's friends had been hoping against hope that he could be induced to accept the office—which he could undoubtedly have had without serious opposition—and this incident was the first time the matter became public knowledge.

Motion Tabled

The matter was brought to a head when Lyman Drake, Jr., Chicago, president Illinois Assn. of Insurance Agents, offered a resolution placing the Middle Western group on record as favoring election to the vice-presidency of either W. M. Sheldon, Chicago, or J. F. Van Vechten, Akron, both executive committee members. After some discussion, a motion to table this resolution failed by a vote of 8 to 7. Arthur M. O'Connell, president Cincinnati Fire Underwriters Assn. and vice-chairman of the conference, then put a direct question, stating that, although as an Ohioan he was naturally committed to Mr. Van Vechten's candidacy, Kentucky is a member of this conference and Kentuckians might wish to have their say in this matter. A. G. Harrison, Louisville, said he was compelled to announce that Mr. Chrisman could not be a candidate.

After more discussion, including some complaints that the motion had been misunderstood, a second motion to table the matter passed.

Contingent Commissions

The matter of contingent commissions was even more complicated. Mr. Sheldon, speaking for the executive committee, explained that contingent commissions had been ruled out in Mississippi due largely to arrangements on automobile finance accounts, some of which placed adjusters fees on a contingent basis. After some discussion, Mr. Van Vechten offered a motion disapproving of paying adjusters on the basis of the amount of loss. Mr. O'Connell moved



J. H. Carney



H. H. Corson

to amend the motion to add that the group approved contingent commissions. The amendment carried, after which Mr. Carter moved to strike the first part of the motion, saying it is none of an agent's business how his companies pay their adjusters. The vote on this, which was close, was never officially counted, the matter going into a rash of debate, in which Mr. Harrison, C. M. Hunt, Nashville; Kenneth Ross, Arkansas City, Kan., and others participated and several members asked for clarification.

Eventually the motion was tabled. Still later, after other business had been taken up, Mr. Carter moved to reconsider the contingent commission subject, saying that the conference owed the executive committee the courtesy of expressing itself as requested. A motion approving contingent commissions then passed unanimously.

Carter on Buyers' Market

Mr. Carter paid tribute to Mr. Corson and the way he handled the French Lick territorial meeting, and his praise met hearty approval from the group. He then said he thought the most important consideration for insurance men is that they are again in a buyers' market, something which he said Treasury Secretary Snyder had just recognized when he induced the British government to

devalue the pound. No insurance man should fear this, he said, recalling that his agency had its biggest year up to that time in 1921 because the firm members went out and worked for business, but he must recognize it.

Rate laws, Mr. Carter said, are a challenge to the ingenuity of companies. He cited some cases which they had solved by using their heads. The interstate rating problem, he said, should be considered in a light of a common sense application of the intent of public law 15, ignoring other legalistic considerations which some people have tried to raise. The Escott plan he called not the best or the final solution but a desirable breaking of the log jam.

Oppose Deductibles

Reporting the progress of negotiations with companies on many matters, Mr. Carter said that the windstorm deductible principle is sound—just as sound as deductible collision insurance—but to introduce it now would be bad public relations and it will not be introduced in the Middle West at present. He said he opposed authorizing fire insurance deductibles in the Michigan law on the ground that making insureds primary carriers for large amounts would be poor service for agencies. He also reported that many risks have now been made eligible for Factory Insurance Assn. service, though not the superior forms, and that the recent authorization of sprinkler leakage by endorsement to fire policies will be a desirable saver of time and office work.

Criticizes S.E.U.A. Plan

An attempt to bring fire and casualty interests together to work out fire legal liability coverage failed, Mr. Carter said, but the casualty companies will soon have an announcement on that matter. There is also need for plate glass coverage to protect against malicious scratching and marring of glass, without actual breakage, at a reasonable additional charge. So far his attempts along these lines have been unsuccessful, but he is still trying. He repeated his familiar recommendation that the limit on jewelry and furs under the personal property floater should be raised to \$1,000.

Mr. Carter criticized the Southeastern Underwriters Assn. term installment plan, but said some plan should be worked out to meet competition and be available to those of the public who want it. He suggested that the full premium be charged the first year and that automatic reinstatement for the full amount be included, eliminating the necessity of unearned premium insurance.

On commissions, Mr. Carter referred to the recent Pennsylvania situation and said that they can be too low, but they also be too high. The latter situation will price agents out of the market and will result in an uncomfortable investigation.

1824 — OUR 125TH YEAR — 1949

SCOTTISH UNION AND NATIONAL INSURANCE COMPANY

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Sees Payment Plan Illegal and Dangerous to Agents

**Counsel W. H. Bennett
Analyzes Installment Idea
at Length**

Serious legal problems are involved in the installment payment of term premiums, Walter H. Bennett, general counsel of N.A.I.A. brought out in a lengthy memorandum. Are the plans legal under rating laws; are they discriminatory under the Robinson-Pitman act, state statutes prohibiting discrimination, or under the federal trade commission act prohibiting unfair competition?

There are serious questions of reserves, the economic effect of such plans could be fatal to the agent, and they put the term rule in jeopardy, he declared.

S.E.U.A. Plan Details

The S.E.U.A. formula makes the partial payment of a 3-year policy 2.56 times an annual premium; and the price of a 5-year policy 4.12 times, according to Mr. Bennett. There is an additional charge over the old term plan, .06% on a 3-year policy and .12% on a 5-year policy, called a handling charge. If it should be found that a handling charge can be no part of a rating formula and no part of an insurance premium, then the claim may be shifted to the theory of making this an interest charge of 2.4% for deferred payments on 3-year term, and 3% on 5-year term.

Mr. Bennett reviewed the development of the term policy and installment payment of premiums. In 1872 the companies began experimenting with an "endorsement note" plan, under which the premium was divided into equal annual installments, the first of which was paid in cash and the remainder taken in notes. As each note became due, insured was notified and remitted to the company. It is significantly stated that "the first year's premium goes to the agent as his commission." (Griswold, p. 99) This plan at least recognized the worth of the agent and the payment of his services when rendered. The company originating the plan soon went out of business and the plan, being subjected to much litigation, was finally abandoned.

Views Other Similar Plans

Because the committee of the S.E.U.A. found the installment payment of premium plans now in existence to possess inherent weaknesses, Mr. Bennett examined such plans briefly, including the budget plan. This calls for payment in advance of approximately 2/3 of the premium on a 3-year term, with 1/3 of the insurance written for one year, the same amount for two years, and a like amount for three years. Each sub-

sequent year the 1/3 expiring is written at 1/3 of the term premium.

The plan of General of Seattle requires a much smaller cash outlay at the inception. On a 5-year term at four times the annual, on a \$60,000 premium at a \$1 rate, the annual premium is \$600 and the 5-year term plan \$2,400. The

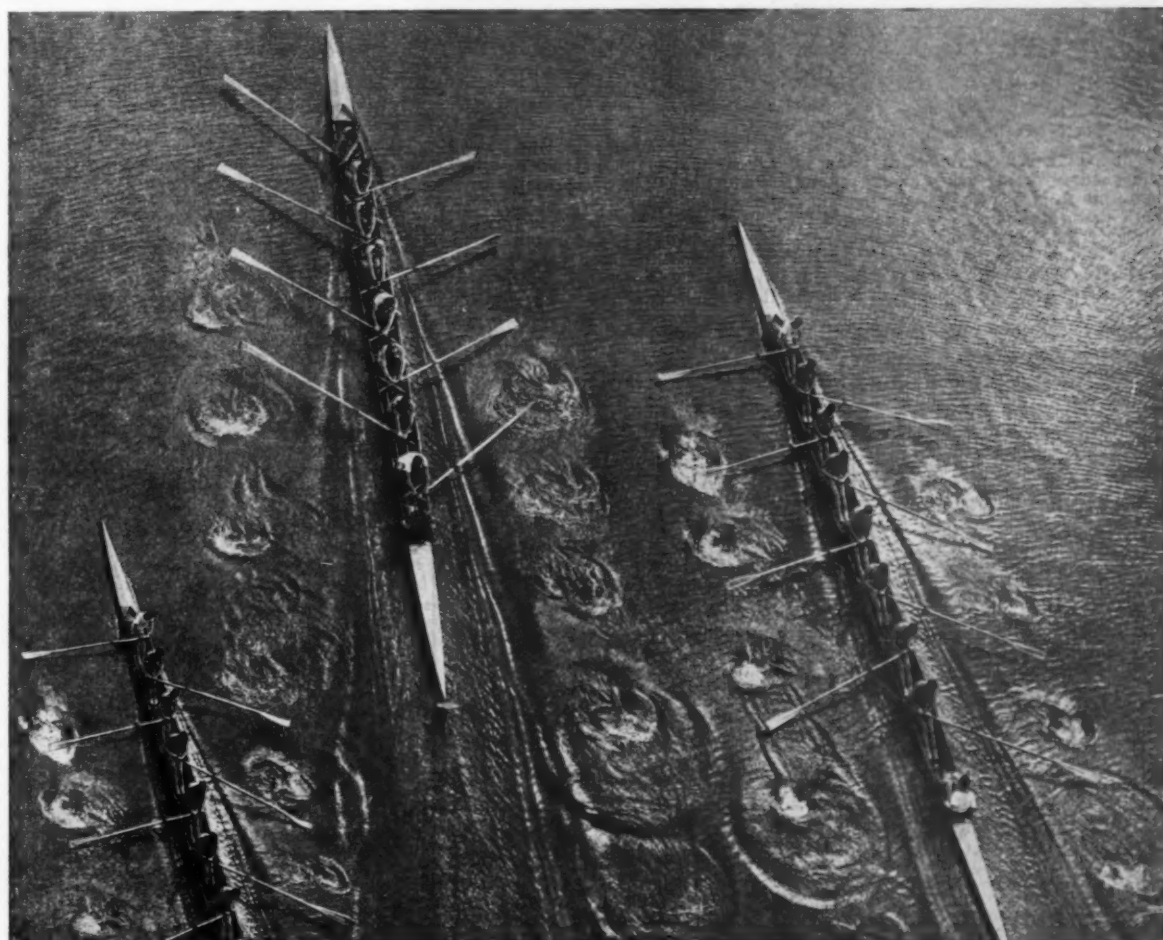
policy is issued at inception for the full amount of the risk. The cost at inception, one annual premium, is \$600 and each year thereafter is 75% of annual premium, or \$450, for a total of \$2,400. The endorsement attached to the policy permits the insured to cancel the insurance at the end of any year.

In the Ohio case of General Ins. Co. vs. Bowen, Supt. 130 Ohio State 82 (1935), the court held that under such a policy assured was insured for one year only at a time; that any subsequent year after the first the insured paid a less rate (\$480 instead of \$600) per year

than one who took out a 1-year contract. At the same time the company was issuing 5-year policies at a rate producing a total premium of \$2,400 payable in advance, and the policy was effective for the full term.

DISCRIMINATORY

The court held this discriminatory under Ohio statute Sec. 9592-9 providing for a uniform deviation on all risks. Because the result of the plan produced



*There
is always
a
Leader*



E. E. Hayden of Oakland, executive secretary California association, and W. B. Glassick, Hollywood, Calif., national director.

...and leaders prefer to deal with leaders. It is only natural that this preference goes on year after year. It is rooted in past performance and the knowledge of what that past guarantees for the future. In providing Fidelity and Surety coverage to industry and commerce, we are indebted to the National Association of Insurance Agents. Their constructive work in establishing pleasant relationships between company and assureds has been of invaluable assistance to us in Serving the Leaders.

UNITED STATES GUARANTEE COMPANY *New York City*

FIDELITY SURETY CASUALTY

AVIATION INSURANCE THROUGH ASSOCIATED AVIATION UNDERWRITERS

a different annual rate for the same risk or similar risks in the same class, the plan was held to be a discrimination within the meaning of the statute.

On the other hand, in the case of Reed vs. General Ins. Co. 265 Ky. 206 (1936), the plan was held not violative of Kentucky statute. The court differentiated the Ohio case on the theory that in Kentucky the company was issuing no other kind of policy—no 1-year, no 3-year.

Under the North America plan a \$60,000 premium at a \$1 rate calls for \$600 initially, and \$2472 for five years, or \$72 more than the regular term premium, which is 78% on the four renewals.

Assuming that North America is still issuing 5-year term policies under the old plan of four annuals paid in advance, here lies the same discrimination pointed out in the Ohio case of General of Seattle.

Does Not Meet the Tests

The North America plan is either a rating plan or a policy endorsement plan. If it is a rating plan, the New York statute on deviations (Sec. 184-6) provides for a uniform percentage decrease or increase in the rates established by the rating organization. But the installment rating plan (if it be a

rating plan) was not and is not applied uniformly to the same kind or type of business; it is not applied uniformly to 1-year policies in the same class; it is not applied to 3- or 5-year term policies in the same class where the premium is all paid in advance. If it is intended as a policy endorsement plan, there is no statutory authority for that kind of endorsement because it does not cover present or additional perils as provided in Sec. 168 (5). Yet the plan is now in effect in New York.

The S.E.U.A. plan approximately parallels the North America plan. If any S.E.U.A. company issues 5-year term policies under both the old plan of \$2400 cash in advance and under the new plan of \$2472 in installments, the same discrimination would exist as in the Ohio case. It would seem the same discrimination exists if a company issues both a 1-year policy and a 5-year policy.

If such a plan becomes general, and competition would seem so to indicate, the economic reality therein inherent would abolish all 1-year and all 3-year policies.

Here is also involved the agent's work. For \$2.40 (20% of \$12), spread over a 5-year period, 48c per year, he must do five times the work now required. But the actual picture is much worse. Those

figures are based on a \$10,000 policy. It has been established that the annual average fire premium does not exceed \$15. Many are under that amount. Under a \$15 premium, a 5-year policy would produce \$60, plus a 3% service charge, total \$61.80. This means a premium of \$12 annually plus 36c service charge. Twenty percent of this handling charge would produce 7c for the agent annually. All policies carrying annual premiums under \$15 would produce correspondingly less than 7c per policy per year for the agent. The result would seem to point to nearly total insolvency unless sufficient capital could be secured from some Reconstruction Finance Corp. to carry him through the 5-year plan.

One cure would be to let the full commission on the total premium be retained by the agent from the first cash payment. The hardship on the agent will thus be measurably relieved. He will correspondingly set up a reserve for his return on any cancelled policies for unearned premium.

Question of Reserves

Term business insurance countrywide produces, or will soon produce, close to a billion dollars annually in premiums. Upon this sum reserves are established as provided by law in the reserve states. If installment payment plans are adopted, approximately one-fourth, \$250 million, will come in the first year and \$750 million the remaining four years. Remembering that there is outstanding liability represented by the billion dollar cost and \$750 million in premiums "in the course of collection," it is obvious that a serious problem is present as to reserves.

There are two contentions, that reserves will be required on the installment premiums as collected; and that reserves will be required on the total premium involved, both paid and anticipated. In Ohio reserves are required on the premiums received or receivable. In New York at the North America hearing, it was conceded that reserves could be required on the whole premium involved.

Effect in Annual Statement

The question of reserves also runs into the annual statement required by law, which must be a true statement. If it is not, a severe penalty follows. If one company in its annual statement should set up reserves on premiums actually received, and another company on the whole premium involved in the term business, they could not both be right. One of them would be a false statement.

Here is an embarrassment for the commissioners, who must approve annual statements. If one group of companies selects one method of reporting reserves and another group another method, what is the harassed commissioner to do?

EFFECT ON AGENCY

About 70% of the premium writings of the average agent comes from term business. Suppose the agency has a \$60,000 volume and a 20% commission income. Premiums from term policies represent \$42,000; from non-term business, \$18,000. Present commission on total writings is \$12,000. Converting the operation to installment payments of 5-year term policies, annual premiums on term business are 1% of \$42,000, or \$8,400 plus 3% service charge on same, \$252, for a total of \$8,652. The annual commission on term business is \$1,730. The annual commission on non-term is \$3,600. The annual commission total is \$5,330, which is a drop in annual commissions from \$12,000 to \$5,330, 55.6%.

If 70% is or will become 5-year term business (and any insured would be foolish not to buy a 5-year term on discounted installments), an agent's income will become 55.6% of what it is now. It will be claimed that eventually the matter will wash out and the income get back to normal. But what is the agent to do during the 5-year laundry period? His overhead will remain constant or even increase by handling five transactions on each policy during the period instead of one. Or if companies make the subsequent annual premium collections as in life insurance, then ownership of expirations is challenged, if not abrogated. This company collection method has been proposed by a responsible Pacific Coast company, it is said. Such would be a dangerous potential experiment. If assured defaults in subsequent payments and neither company nor agent made the subsequent annual collections, there would be no expiration and hence no ownership. It is to be remembered that the cancellation of a policy is not an expiration under the doctrine of ownership.

In a 5-year period suppose an agent desires to resign a company, or the company withdraws from the agent. Can the agent in mid-term carry his assured along to his new company? Assuredly not. The policyholder is morally bound to the old company under his obligation to pay the remaining renewal premiums as they become due or suffer a short rate cancellation. His option would obviously be to stay with the old company, with the agent separated from his assured and from his ownership of expirations. The collection of subsequent premium installments would have to be made by the company with all the challenging consequences, which might well result in the agent being entirely through.

If it can be demonstrated that an agent can issue and service a 5-year policy on a 20% reduction in his compensation over the sum of five annual premiums; and that he can issue and serv-



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NORTHWESTERN FIRE & MARINE INS. CO.

MINNEAPOLIS, MINNESOTA

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WHEAT AND CORN BELT

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MICHAEL SCHWEIHS
Secretary



At Zurich exhibit—S. H. Chester, Chattanooga; R. D. Hodson, superintendent of casualty sales division of Zurich; C. M. Hunt, Nashville; H. F. Erzinger, Jr., sales division Zurich, and H. W. Poulson, Boise, Idaho.

ice a 3-year policy on a 16% reduction, there has been established a situation set forth in the proviso of the Robinson-Patman act insofar as his aliquot part of the premium is concerned and probably still remain within the majority opinion of the Morton Salt case, Mr. Bennett thinks. By the same token the companies would need to demonstrate a comparable differential in the overall cost of contracts of insurance differing only as to term.

Term Rule in Jeopardy

Annual installment payment of premiums on term discount policies, negates the whole theory and reason for the term policy rule. The justification that has always been urged for selling term insurance at a reduced rate where the total premium is all paid in advance, disappears entirely when the term policy is converted into a year by year policy by the installment payment operation. Installment payment is a year by year transaction. A company is required by the very test of solvency to cancel a policy where the premium is not paid. No company could continue to carry such liability on the theory that maybe sometime, somehow, the delinquent premium would be paid.

Minority Report on Installment Issue

Guy W. Engle, Casper, Wyo., and J. C. Hearn, Roanoke, Ala., canvassed the states voting no on the resolution that opposed installment payment plans and drew up a minority report which was voted into the record by state directors. The 14 "no" states signed it.

Adoption of the resolution was opposed, the report states, because it did not allow time for directors to discuss the possible consequences of the action with state associations; because many N.A.I.A. members apparently will continue to use such plans; because no company rating or supervising organization should attempt to control the plans or their use and because the problem is an individual one between company, agent and the public. The report states that N.A.I.A. has weakened its position in public relations by publicly opposing an insurance payment method long available to and accepted by the public.

American Names Davidsons

American has appointed Henry Davidson as special agent in southern Florida under State Agent E. Fred Gaskins. Mr. Davidson joined the group following service in the merchant marine during war. He has completed the educational course in the home office and has had experience in several departments.

National Surety headquarters had a distinguished group of hosts—Ellis H. Carson, president; A. L. Carr and Sherman Drake, vice-presidents; Vice-president E. A. Luther, St. Louis; Vice-president H. L. Dalton, Des Moines; and B. J. Nietschmann, manager at Chicago.

Vote Commission to Pursue Matter of Red Cross Cover

A vigorous resolution on the Red Cross insurance matter was proposed to the national board of state directors, but when Wade Fetzer, Jr., Chicago, reported he had been in touch with members of the Red Cross board of governors and that Basil O'Connor, chairman, had promised a meeting with agents to discuss the subject, it was withdrawn and a milder one adopted.

The resolution adopted, like the one withdrawn, calls for creation of a 3-member commission, men of ability and prominent in Red Cross work to follow the matter to a conclusion. The original resolution reaffirmed the loyalty of agents to the Red Cross. In discussing it President Stott said N.A.I.A. had ob-

jected to the national insurance plan as a matter of principle and not premium, and that it is still committed to pursuing that course, "notwithstanding publicity by opportunists in this business."

O. Shaw Johnson N.A.I.A. President

(CONTINUED FROM PAGE 38)

which withdrew from the southern conference, resulted in the subject being continued to the St. Louis meeting. Donald A. Bolton of Jacksonville, Fla., also had brought up the subject.

The resolution pointed out that regional meetings have failed to achieve then advertised objectives, a saving in expense and building N.A.I.A. regionally. Besides, agents are faced with more and more problems of a national character. Hence, the general mid-year meeting would be of more value to agents; the resolution stated.

The commissioners asked N.A.I.A. to study a uniform non-resident agents license law and a suggested bill has been worked out. President John C. Stott asked that the ideas and progress already recorded be passed on to the incoming administration.

The all risk dwelling policy was not discussed, but Mr. Stott recommended it be continued on the agenda.

Maurice Herndon, manager of the Washington office, reported on the national legislative picture.

Headquarters

North America had an imposing array of dignitaries in its spacious headquarters where they tempted visitors with generous roast beef sandwiches. Included were R. G. Osgood, vice-president, C. S. Roberts, vice-president, A. W. Barthelme, C. F. Littlepage, Malcolm M. Dickerson, C. F. Bird, all secretaries. Also on hand to greet guests were R. T. Ford, Philadelphia manager; R. A. Mitchell, Chicago marine manager; V. L. Montgomery, manager Chicago service office, S. H. McGoun, Jr., Chicago manager Indemnity of North America Co., and the following service managers: O. W. Houston, Richmond, Bailey T. Turner, St. Louis, Walter Miller, Cincinnati, John B. Davis, Minneapolis, C. B. Crisit, Indianapolis, Wm. L. Treadway, Atlanta and J. S. Schmidt, Omaha.

A big floral basket was delivered to the John C. Stott room. Mrs. Stott thought it looked rather funeral and wondered who sent it. Later the florist called excitedly to say he had to have it back right away, it had been delivered to the Stotts by mistake, it was for a Chicago gangster's funeral.

Agents were well supplied with daily news. Fidelity & Deposit as is its long custom, furnished the Chicago "Tribune." The St. Paul group delivered the Chicago "Journal of Commerce" to those attending the convention.

An honorary membership in the New York State Assn. of Insurance Agents was granted during the convention to Kathie Ann Schwab of Staten Island. She is the 3-months old daughter of Arthur W. Schwab, a New York association director, and Mrs. Schwab and attended the New York delegation dinner to John C. Stott. Previously she had attended a directors meeting in Albany. The membership does not carry voting power.

Tator in Conn. Field

Firemans Fund Indemnity has named Pierson C. Tator as special representative in Connecticut. He graduated from Yale and spent several years in the army during war attaining the rank of captain. His headquarters will be in Hartford.

Vice-president Harold Junker represented the home office of Crum & Forster, with W. A. Seely, assistant western department manager, and R. L. Wilcox and C. G. Thro, agency superintendents, on hand from Freeport.



J. H. Ledbetter, southern manager of Hartford Fire; Frank McVicar, vice-president Hartford Accident; Dr. W. H. Timmons, retired manager of Hartford Live Stock, and Roland Hardy, local agent of Pompano, Fla.

Review Work of Education Division at Breakfast

At the education and research breakfast conference for local and state association secretaries and managers, Urban Krier, Milwaukee, called for a rising vote of thanks for the good job done by R. E. Farrer, director of education of N.A.I.A., in that organization's educational courses. He urged L. P. McCord, Jacksonville, Fla., chairman of the N.A.I.A. educational committee, that if there is any further economizing at headquarters not to apply it to the education division. The educational courses have provided the secretaries and managers with an effective tool.

Mr. Farrer particularly praised Allen Smith of Iowa, Tom Weaver of Oklahoma, Mr. Krier, W. H. Wiley, Connecticut, George Hughes of Rhode Island and E. E. Hayden of California for outstanding work in organizing courses. Mr. Krier was presented with a mock diploma for completing the courses himself.

Miss Gladys C. Main, Seattle, presi-

dent of the National Assn. of Insurance Women, was recognized.

America Fore Is Again the Host to Everybody

The America Fore cocktail party and buffet Tuesday evening brought together a congregation that filled the ball room of the Stevens to overflowing. The buffet was sumptuous and the bar service accelerated. It was a great occasion for exchanging greetings and there was a large representation of wives. In the past the party has preceded the banquet, but this year the two events were separated and it was entirely America Fore night.

Flint Association Elects

FLINT, MICH.—E. Stanley James, manager of Flint Automobile Club, has been elected president of Flint Assn. of Insurance Agents. Vice-president is Philip J. Braun; secretary, Claude Hommes (reelected). Walter S. Mooney was reelected state committeeman.

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FIRE AND CASUALTY COMPANY
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r, Jr., sales

Headquarters Numerous, Crowded, Successful

Company headquarters probably set a new record for numbers at the meeting of National Assn. of Insurance Agents in Chicago this week and, in the opinion of most observers, also for patronage and general satisfaction. The Stevens hotel did a good job providing suitable suites and there were almost no complaints as to accommodations or accessibility. Most of them were going strong by Sunday afternoon and the directory near the registration desk presented a crowded appearance.

Springfield F. & M. was one of the first to open and a novel stunt kept its suite popular throughout the meeting. Registrants were photographed against a background of western desert, including, of course, the company's famous covered wagon, with keds to sit on and cowboy sombreros, bandanas, pistols and sheriff's stars for costuming. A dark room was set up and finished pictures were delivered by the positive print method in four minutes. C. E. Freeman, director of advertising at the home office, staged this attraction, while Secretaries Emil Hepp, R. K. Hill, Harold Kraft and L. A. McIntyre from the western department were on hand to dispense hospitality.

The New York State Assn. of Insurance Agents gave a dinner Tuesday night in honor of the retiring president, John C. Stott, Norwich, N. Y.

At the headquarters of the Two Hartford's Frank McVicar, vice-president and E. B. Stout, Jr., agency assistant, represented the accident company from the home office. W. S. Vanderbilt, secretary, was host for Hartford Fire. Their rooms were a popular objective for agents at any time of day or night, but it was jammed for lunch, when the Hartford's served a tasty repast.

Aetna Life affiliated companies had on hand Robert E. Brown, assistant manager advertising and publicity; E. G. Eppler of the public education department, who was in charge of Aetna's dramatic exhibit on the convention floor; E. C. Knapp, secretary; and R. C. Lar-

son and F. W. Potter, field supervisors, Aetna Casualty; James F. Dissell, secretary Automobile and Standard Fire; H. D. van Gils, assistant secretary, and W. W. G. Wheeland, agency superintendent.

Aetna Casualty's exhibit included the "driverometer" and a continuous showing of the colored highway safety film, "Live and Let Live." Theme? Loss prevention work by the agent.

Corroon & Reynolds was another early opener, with P. F. Frellich, Chicago manager and most of the middle western field force on hand to introduce President J. R. Barry, R. R. Wilde, vice-president, John Owen, secretary, S. F. O'Connor, assistant secretary, and J. A. Corroon from the home office.

J. Dillard Hall, associate agency director U.S.F.A.G., presided at his company's headquarters. Others on the scene were John F. McFall, counsel and vice president, L. Brent Wood, associate agency director, W. H. Jeffery, Chicago, resident secretary, Earl Shaw, secretary, represented F. & G. Fire.

National Fire had a large array of executives at its headquarters under the guidance of Chester L. Zook, Chicago, assistant western manager and Walter Corry, Hartford, vice-president. Ellis Clarkson, secretary, and T. A. Long vice-president of United National Indemnity completed the Hartford aggregation. Others greeting the guests were E. H. Forkel, Chicago, vice-president and western manager, John A. Maclean, assistant farm superintendent, Chicago, and John Pabst, Chicago manager of United National Indemnity.

Paul H. Barr, vice-president and manager of the western department of Hannover guided his headquarters activities and introduced F. Elmer Sammons, president, John Rygel vice-president and R. C. Williams secretary. James P. Jana, assistant resident manager helped to entertain.

U. S. Guarantee headquarters were the scene of much conviviality as T. E. Barton, resident manager at Chicago, opened the doors to friends and guests. Assisting were Ralph Hoffe, field supervisor, Thomas Brownrigg, field supervisor, and E. H. Jones, western department office manager. Conrad Wissel assistant secretary, came from New York.

Carter Presented With Testimonial



George M. Carter (left), and H. T. Minister.

George W. Carter, Detroit, founder and for many years chairman of the Middle West Territorial Conference of National Assn. of Insurance Agents, was presented with an engraved scroll in recognition of his services at the territorial session at Chicago Monday. H. T. Minister, Columbus, made the presentation and spoke of Mr. Carter's career in the insurance business, starting with his arrival in Chicago in 1901 and his moving to Detroit about ten years later, where he became associated with and eventually became president of Detroit Insurance Agency. The scroll was presented just before Mr. Carter began his report.

Deeply moved by the presentation, Mr. Carter said that if he were to die at that moment he could not ask for a happier end.

Hazard in Farm Roofs

BATTLE CREEK, MICH.—Few metal farm roofs are adequately grounded in this state, Arthur Bell, Michigan State College extension engineer, told a group attending a roofing demonstration at a farm near Marshall. He estimated that 90% of metal roofs on farms are in such a condition as to constitute a definite fire hazard. Inasmuch as 40% of Michigan farm roofs are of metal, the situation, he indicated, is definitely serious.

Schmidt to Kewanee Agency

Walter Schmidt has become affiliated with the Anderson & Robison agency of Kewanee, Ill., following the death of Lyle Robison. Mr. Schmidt started with the old Peoria Life and then was with the Lake W. Sanborn agency of Galesburg, Ill. Most recently he has been with the State Farm companies in educational work.

Butler Pleads for Unity and Action at Opening

At the opening session of National Assn. of Insurance Agents meeting in Chicago Monday afternoon, Charles P. Butler, executive vice-president, made a strong and well-received plea for unity and for action on matters in which there is substantial agreement. He said he does not and never will urge compromising with basic principles, but often such differences being only details. If the organized agents will judge every issue by what is best for the insurance business and will act on their principles, they will make progress.

Mr. Butler's talk concluded the opening meeting, following the invocation by Msgr. William J. Gorman, chaplain Chicago fire department, the address of welcome by E. L. Lederer, Chicago, the report of President John C. Stott, Norwich, N. Y., and the conferring of presidential citations on eight members.

Lederer's Welcome

Mr. Lederer pointed out the importance of Chicago in the national insurance and business picture and the fact that Illinois has produced two N.A.I.A. presidents—the late C. F. Hildreth and Allan I. Wolff. He said that even if the National association had not decided to come to Chicago for convenience, Chicago insurance men would have been most insistent in their invitations for this year, 1949 being the 100th anniversary of Chicago Board of Underwriters and the 50th of Illinois Assn. of Insurance Agents.

President Stott thanked Norwich Union for its traditional floral piece for the rostrum.

Iowa Surprise Dinner Set

Iowa Blue Goose will hold its annual surprise dinner at the Veterans club, Clear Lake, Ia., on Oct. 22. A member of the pond will be honored at the dinner for outstanding service during the past year.

The pond will also elect a new officer to fill the vacancy caused by the resignation of Erwin Wieck, recently transferred to Milwaukee, as supervisor.

R. C. Damkroger, assistant secretary of St. Paul Fire & Marine, has been appointed by Gov. Youngdahl on a committee to study employment possibilities for handicapped citizens of Minnesota.

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Front row—Mrs. Carrie Hirschman and Mrs. H. Ziskind of Memphis, and Mrs. F. J. Pocquette, Chicago. Second row—Mr. Ziskind, Ralph Oellers, vice-president of Meserole group, and Mr. Pocquette, western field manager of Meserole group.

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Famous American Homes

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*Elijah Miller House
where Washington Planned
his Campaign*



his headquarters during the anxious period of the White Plains campaign and here he planned his army's strategic retreat into New Jersey.

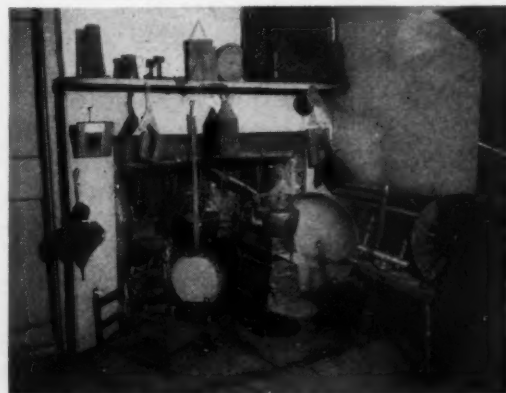
Though a small village at the time of the Revolution, White Plains was of considerable importance as county seat and business center. The Declaration of Independence was given official reading from the steps of the old court house for the first time in the colony.

As the Declaration changed the Colony of New York to the State, the court house is considered the birthplace of the State of New York.

Washington established his White Plains

headquarters in October, 1776, and remained there until November 10th. The house was owned by the widow Ann Miller, whose husband, Adjutant Elijah Miller, had died a few months earlier. Standing just over the most northerly boundary of White Plains, it was a simple farmstead which had

GEORGE WASHINGTON'S slumbers often must have been uneasy during the nights he spent in the Elijah Miller house. Here he had



Old-time utensils adorn fireplace in family kitchen

been built about 1738 and was enlarged by an addition in 1770.

During his stay at the Miller home, Washington occupied two rooms in the newer part, one of which had a door opening on the porch, thus making it possible for visiting officers to come and go without encountering the family. Built at the foot of a hill from which the last shot of the White Plains campaign was fired, the house had a secluded yet accessible location which made it ideal as a military headquarters.

Mrs. Ann Miller continued to occupy the house until her death at the age of ninety-two. This patriotic woman served her country long and well. Besides her husband,

she lost her two sons to the cause of freedom. Both died on the same day of disease contracted in camp. In addition to making her home available to Washington, Mrs. Miller nursed many wounded soldiers there.

Shaded by an ancient sycamore tree on which George Washington must have looked, the house he made his headquarters is now maintained by the Westchester County Park Commission and the White Plains Chapter of the Daughters of the American Revolution. Many fine Revolu-

tionary relics are on display. An interesting feature of the house is the cellar cut into the hillside where ammunition was stored for the troops encamped nearby.

Washington was again in White Plains in 1778 and in 1781. On the second of



Used to store ammunition

these visits the war had progressed so satisfactorily that he commented in a letter to one of his officers that the army "which was the offending party in the beginning is now reduced to the use of spade and pickaxe for defense. The hand of Providence has been so conspicuous in all this that he must be worse than an infidel that lacks faith and more than wicked that has not gratitude to acknowledge his obligations."

★ ★ ★

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CONDUCTING THEIR BUSINESS
ONLY THROUGH ACCREDITED
AGENTS AND BROKERS—
THE KIND OF COMPANIES
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INSURANCE



ASSOCIATED
COMPANIES

AMERICAN AUTOMOBILE
INSURANCE COMPANY
SAINT LOUIS

ASSOCIATED INDEMNITY
CORPORATION
SAN FRANCISCO

